TRANSPORTATION AND COMMUNICATIONS - AGREEMENT 1953

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Jidda, Saudi Arabia

September 1,1953.

TO: Mr. John A. Dunaway, Acting U. S. Director of Technical Cooperation in Saudi Arabia.

FROM: E. F. Sinclair, Chief, Transportation and Communications Division.

SUBJECT: Projects for 1954.

I am submitting below data with respect to projects for 1954:

Installation of Visual Omni Range equipment at either the Dharahn or Jidda Airport	$ 75,000.00
Highway and Construction Engineer	20,000.00
Electronics Engineer	20,000.00
Field Allowances, equipment, etc.	15,000.00
Total	$130,000.00

Chief

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150,000.00

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UNITED STATES OF AMERICA
TECHNICAL COOPERATION ADMINISTRATION

Jidda, Saudi Arabia
January 10, 1953

MEMORANDUM TO: Division Chiefs

FROM: John A. Dunaway
Acting U. S. Director of Technical
Cooperation in Saudi Arabia

RE: Revision of 1954 Budget Submissions

In the attached copy of a TCA/W release, the mission has been requested to prepare a revision of its 1954 program narratives and budget estimates. Basically we are being asked to provide more specific program write-ups and more detailed dollar estimates (see Items a, b, and c, Page 1 of attachment). Paragraph 3, "Special Problems," is obviously something which will have to be prepared in the office of the Country Director but any points that you wish to have highlighted under this section should be brought to my attention.

I appreciate that you have been asked to do this sort of thing before and so have we, but I am sure that in the last few weeks we have each added a great deal to the specifics and details of our programs which should enable us to present a proper presentation of our plans and requirements for the Fiscal Year beginning next July 1. Please contact the Acting Program Officer for information as to previous submissions regarding your programs if you have not already done so.

This report was supposed to be submitted to Washington January 1, but we feel by delaying it long enough to see that everyone has a chance to participate, we will be able to submit a much more meaningful document. I am, however, obliged to ask that your submissions be in the hands of the Acting Executive Officer by January 15.

Copies to:
Mr. Brown
Mr. Sinclair
Mr. Ferguson
Dr. Dolley
Dr. Edens
Mr. Dunaway

COPY
TCA:EBetzig:pm 1/7/53

REVISION OF FY 1954 BUDGET SUBMISSIONS

General

Based on our experience this year in compiling and examining the budget material for FY 1954, including the review by the Bureau of the Budget, it has been decided that a rewrite of the country narratives is necessary preparatory to Congressional presentation. In order to permit TCA/W ample time to collate and edit this material, each country mission should forward three copies of its submission to Washington by January 1.

This instruction is concerned only with "Point 4" economic assistance proposed by TCA. Separate instructions will be issued concerning larger "grants in aid" programs where proposed.

So that the entire TCA program may be presented to the Congress in a thoroughly comprehensive and uniform manner, the rewrite of the country narratives should be accomplished to include the following:

(a) The narratives in general need to be much more informative, more interesting and more vividly descriptive of the principle Point 4 activities in each country;

(b) A much clearer tie-in is essential as between these activity narratives and the required tabular material;

(c) A more detailed documentation must be available (in supplementary appendices) to build up to and justify the dollar requirements shown for the separate programs. (This particularly applies to "supplies and equipment" components or construction costs.)

Form (covers (a) above)

This rewrite should present a more compelling picture of individual country needs and program potentials. Accordingly, it is requested that each country director undertake, over the next few weeks, to rewrite the present program submission for his country to more adequately cover the above considerations. The following outline is presented for your general guidance and assistance in an effort to be more graphic, descriptive, and full of human interest. It should fall into three broad sections:

I. Background and Objectives

A general introduction to the country program, as a whole, beginning with a brief description of the general nature of the country's geographic and principal resources. Brevity requires this to be only suggestive, but it should seek to orient the reader to the country's geographic and political setting. Against this background should be outlined a simplified analysis of the most pressing current economic and political problems. The country's own economic development plans should then be described, culminating with an explanation of the need for external assistance, and of the particular opportunities for the U.S. -- under specified policy objectives -- to make a real contribution to the improvement of the national well being and to the strengthening of the free world as a whole.

2. Description of Programs

The second and principal section of the narratives should be organized around

rather/

rather full-length major activity statements -- and the various points as to specific background of each problem area. Need for Technical Aid and Possibilities of Accomplishment should be covered within the framework of connected activity stories. These accounts should be selective; that is the major areas around which a description of Point 4 activities can best be organized should be singled out forspecial emphasis, rather than merely listing briefly all activities or projects without giving a convincing story of any. (By "activities" here is not necessarily meant what certain of the TCA regions technically call an "activity" in their authorization procedures -- but rather a broad problem area in which important Point 4 contributions are being made.) For example, the agricultural programs in most countries emphasize several such broad activity fields, usually well-suited to presenting a convincing picture of Point 4 accomplishment -- whereas some of the minor"fields of activity" listed in our tabular summary may include only a couple of small projects, which would be better covered by extremely brief summary references.

As a senior State Department advisor in these matters, wrote the TCA Administrator, it involves "getting away from a brief listing of all activities without giving an understandable picture of any." The final result for each country should be a limited number of (perhaps) seven or eight major activity stories, plus summary references to other less striking elements of the total program. The intent is to bring the program to life for the reader by point up its "guts", so as to give a sense of challenge to the United States, emphasizing major Point 4 prospects and accomplishments in each country.

It should be cautioned that "human interests" means describing our more appealing project operations in "down-to-earth" terms. It does not mean an excess of adjectives or talking about personalities or specific agencies by name. Technical jargon (such as references to strange diseases) and "alphabet soup" titles of operating agencies (such as SCIPA, PENEX, etc.)should be avoided if possible. Where place names are important enough to mention, they should be located on an accompanying map. Individual directors, and their programming staffs are encouraged to use their imaginations in composing a compelling, attention-holding document which, while avoiding hyperbole and over-florid claims, will tell a straight chronological story about the principal jobs we are trying to do in the separate countries. A clear vivid factual description of a challenging situation in terms of what actually happened or about to take place is usually convincing.

3. Special Problems

A number of special points which cut across the individual program fields may best be presented in a "special problems" section. These include (a) status of over-all negotiations of program and project agreements, (b) relationship of the TCA programs to other technical assistance, (c) status of personnel recruitment and prospective availability of U.S. technical personnel, (d) host government contributions, (e) special explanations of supply and equipment requirements, (f) status of final obligations and expenditures at the end of FY 1953 (estimated), etc.

Particular attention should be given to a much fuller statement than previously made on the exact status of multilateral and private agencies' technical assistance programs in your area. Budget and Congressional authorities are keenly interested in a closer coordination of all such programs within each country and are raising specific questions as to the number of technicians contemplated for each type of activity, with a clear indication of the lines of demarkation between these separate programs and how duplication of aid is to be avoided. It is not

sufficient/

sufficient to make a mere statement that (say) "the United Nations has an Agricultural Mission with which the TCA Mission is coordinating". We need to know precisely the size and nature of these missions, precisely what arrangements are being made to prevent duplication of effort, and what is planned to be done by whom in each year's program.

Particular attention should be also given to describing the total U.S. personnel needs for each country in terms of the physical possibility of recruitment, and the absortive capacity of the host country of Americans without creating unfavorable repercussions. Likewise, a full and specific statement is required on the relative rate of contribution by the host government, bringing out if the ratio of U.S. contribution is decreasing or increasing and whether the host government is really satisfying the "ability to contribute" criterion. Other problems will suggest themselves as requiring special comment in individual cases.

Important Data

Keying of Narratives to Figures (covers (b) first page)

The separate instructions given for narratives and for tabulations has resulted in an almost complete divorce of story and figures in the present version. An almost complete absence of numbers and small tables in the narratives prevents these from conveying a needed sense of relative importance of the different parts of the program. At the same time the broad programming catagories used in the summar tables obscure (by grouping) the separate major activities entering, for example, into "agriculture, forestry and fisheries". In your rewrite of these narratives you are requested to insert headings (and where appropriate, sub-headings) for each major activity, and extend opposite the headings the actual amounts of money involved. Pertinent summary facts about the total technicians and total supplies and equipment involved should also be shown at appropriate places in the narratives -- perhaps immediately under the activity headings.

Less important odds and ends of projects can be grouped in summary sections, with care taken that the grand total of the figures shown for the separate activities (or sub-activities) will, in fact, total up to the totals presented in the over-all tabulations, whose form remains prescribed.

Detailed Documentation (covers (c) first page)

Point 4 budget proposals have fared rather well in Congressional hearings, by and large escaping bitter analytical criticism, although usually presented as "Illustrative". The present program is being presented as a "going program" -- actual projections of activities already underway. Hence, it is expected that examinations of these proposals will be much detailed and critical in the next Congress, and it is essential that we be able to document and justify the build up of dollar requirements of the individual programs proposed.

In general, our concern is less with breaking down requirements in the categories (technicians", "trainees", "supplies and equipment", and "contribution to joint funds", to show individual sub-programs or even projects than it is for a build up of the estimated costs showing the funds needed for each such category. For technicians and trainees the problem is a relatively simple one of detailing on supporting sheets the grades and position slots for planned U. S. staff, the numbers involved and method of estimating costs of the various trainee programs (most of

which/

which information is already available in TCA/W.) It is the "supply and equipment" and the "contribution to joint funds" items which are expected to be subjected to searching scrutiny.

The last Congress expressed great concern about the size of expenditures for supplies, equipment, direct construction, etc. Details of the estimated costs of supplies and equipment groups (MSA)(Commodity Code Book) are required for the entire program, with break-down by major activities (Code 100 through 900) and by projects within the major activities. New forms have been prepared for this data and copies will be furnished subsequently.

For some countries TCA/W already has some of this data, but by no means for all. That which has been submitted needs further review in the light of the general change in the presentation and more recent thinking. Furthermore, the more sizeable equipment and supplies components, such as tractors, bulldozers, etc., and the major values of any commodity group, requires as detailed an explanation as it is practicable. A format will also be submitted separately for presenting this information in a uniform manner.

Where details of program proposals are not sufficiently specific to spell out an exact calculation of the costs involved, it is nevertheless necessary to explain inasmuch as detail as possible just how the cost figures submitted were determined. Contributions to joint funds, in Latin America, require a different type of explanation. Although the identity of the separate U. S. contribution is u sually legally "lost" in such cases, there is an increasing interest being shown in getting at least a general idea of what the U. S. money is being spent for. It is, therefore, requested that at least a rough analysis be attempted for such joint funds, spelling out the respective dollar and the local currency contributions made in the past with the resulting expenditures and with an estimated projection for FY 1954.

All of the above should be thought of as "back-up material" for TCA and State Department files -- available to Congress on demand.

As part of its fuller documentation of requirements, TCA/W would like to have considerably fuller supplementary projects (or sub-program) descriptions of the detailed components of the over-all program than were originally asked for when the project (or program) was first reported or approved. Fairly complete thumb-nail sketches are desired for all individual major projects (or sub-programs) so that if any particular item of expenditure is challenged a convincing human-interest description of that particular project will be available in TCA/W files. Where particular projects have been outstandingly successful, or provide unusually good examples of Point 4 possibilities, you are invited to write up an even fuller description than would be appropriate for inclusion in the over-all summary. (Attached illustrations or photographs would be welcomed.)

UNITED STATES OF AMERICA
TECHNICAL COOPERATION ADMINISTRATION
Jidda, Saudi Arabia
December 21, 1952

LONG TERM COUNTRY PROGRAM
SAUDI ARABIA
TRANSPORTATION, COMMUNICATIONS AND PUBLIC WORKS

Annex B Code 600

1. Problem in Field of Activity

The priority problem at the moment is the Railway Survey. All necessary Agreements have been executed between the Saudi Arabian Government and the United States, as well as between TCA and the International Engineering Company, which is the Company designated to make the actual survey under the supervision of TCA.

Mr. Charles E. Buck, Project Manager for the Engineering Company is now in Jidda and awaiting additional men to assist in the performance of this program. It is felt that the survey will get under way right after the New Year and it is expected to be completed in approximately eight or nine months.

At this writing it is hard to estimate just what proportion of the population will be immediately affected by the building of this railroad line from Riyadh to Jidda, which, incidentally, will link the present railroad line from Damman to Riyadh, thus constituting a transcontinental railroad in Saudi Arabia. The question at this time is just where it will be possible to build such a line which will benefit the greatest number of the population and at the same time have in mind the terrain, villages through which such a railroad should pass and other factors which will tend to keep the actual construction of the railroad at a minimum cost to the Saudi Government.

Also under consideration is the construction of highways for the Saudi Government as and where they are needed for the betterment of village life and the transporting of commodities quickly from outlying districts to the cities, as well as to the railroad centers.

There is some talk at the present time for a highway from Jidda to Asir, but this subject is just in the discussion stage and therefore further developments will be reported as they take place.

TCA is also prepared to assist the Saudi Government in increasing its communications lines, telephone, telegraph and radio.

II. Existing Governmental and Other Programs

It is understood that a present there is a contracting firm from Egypt in Jidda assisting in the development of a dial system telephone. However, I do not believe that much progress has been made in connection therewith.

The Thomas Ward Contracting Company from England was engaged in building a highway from Jidda to Medina. However, it is understood that this company has had financial difficulties and has given up the building of this road. It is further understood that a Saudi Arabian contractor will carry on the work at the present time.

III. Means/

III. Means of Resolution

A. The country itself should get under way, with the assistance of TCA, programs for the development of young men to operate their railroad in all its phases. Also, in the field of telephone, telegraph and radio communications, as well as engineers able to construct not only highways, but all other public works necessary for the benefit and welfare of all the people of Saudi Arabia.

B. TCA should carry on their present work in screening out applicants to perform the work outlined in paragraph A, as well as all other projects which will in any way increase the efficiency of the Government and its peoples.

IV. Objective for Point Four Action

Develop all possible available routes of transportation, communications, highways and public works. Extend all possible aid and assistance in any endeavor which the Saudi Government may attempt to put forth which has as its basic foundation increasing the living standard of all people of Saudi Arabia.

V. Resources Required for Point Four Program

A. Finance - a budget that will meet all requirements of TCA to assist the Saudi Government in carrying out the programs deemed most necessary for its welfare.

B. Personnel - the necessary highway, communications and public works technicians, as well as clerks, stenographers, etc.

C. Equipment - field equipment for necessary trips into the desert, including housing, transportation, etc.

VI. Project by Phases of Work

The present project in this Division is the railway survey which is to cost in the neighborhood of $352,000, all of which sum will be furnished by the United States Government through TCA.

The survey itself will tend to develop what mineral deposits may be found in Saudi Arabia. The construction of a railroad from Riyadh to Jidda which is proposed will coordinate with all other programs now being carried on and any that may be set up at a future date.

E. F. Sinclair, Chief
Transportation and
Communications Division

UNITED STATES OF AMERICA
TECHNICAL COOPERATION ADMINISTRATION
Jidda, Saudi Arabia
December 21, 1952

LONG TERM COUNTRY PROGRAM
SAUDI ARABIA
HEALTH AND SANITATION

Annex B Code 400

1. Problem

The lack of sanitation is a way of life. There is little understanding how diseases are spread; consequently the people answer the "call of nature" wherever they happen to be. This lack of sanitation may be attributed in a large measure to the universal lack of adequate water supply.

Mortality and morbidity statistics are recorded, but everyone agrees that these are incomplete and therefore quoting them would give an erroneous impression of the health conditions. The nomadic life of many of the people is one of the reasons for these inaccuracies, and for the difficulty in providing necessary sanitary facilities.

In discussions with several doctors working in Jidda, it appears that the following communicable diseases are most important:

1. Tuberculosis
2. Malaria
3. Dysentaries, Amebic and Bacillary
4. Venereal diseases
5. Trachoma
6. Typhoid and Paratyphoid fever

To a lesser degree other diseases found are:

1. Meningitis
2. Poliomylitis
3. Typhus
4. Plague
5. Bilharziasis

The problem is to control communicable diseases listed above. This is difficult because of (1) lack of the understanding of the problem by the public, (2) lack of sufficient water, (3) the way people live, (4) lack of a strong health agency in the Government, (5) poverty of general public. The problem is not insurmountable, but it will take time, plenty of it.

II. Existing Governmental and other Programs

There is a Ministry of Health with headquarters in Mecca, where non-Moslems cannot go. This increases our problem of close cooperation with the Ministry. Under the Minister there is a Director General and under him three divisions: (1) hospitals, (2) quarantine and (3) health districts. The number and location

of/

of the hospitals are as follows:

1. Mecca	3	4. Medina	2
2. Jidda	3	5. Riyadh	1
3. Taif	2 (one of which is military)	6. Hofuf	1
		7. Dammam	1

No comment is made at this time as to the adequacy of these hospitals.

It is reported that there are health centers in the following places:

Jidda	Gassam
Mecca	Abha
Medina	Gizan
Riyadh	Hofuf

A new quarantine station is being built in Jidda. There is a station on the Yemen border.

Last fiscal year the budget of the Ministry of Health was 6,500,000 riyals (approximately 3.5 riyals to the dollar) while this year it is 21,348,475 riyals in addition to 12,000,000 riyals for building projects in general and 14,000,000 riyals for the hospital in Riyadh.

At the present time the Ministry of Health has two agreements with the World Health Organization, and two teams of three people each are here now, one for malaria control and the other for venereal disease control. The former is located in Jidda and the latter in Mecca.

At the present time there are no figures available for the number of personnel employed or categories of the personnel. Most of the doctors are foreigners who are under contract for a definite period of time.

III. Means of Resolution

A. Country itself

The Government is interested in construction of more hospitals and importing more doctors. As yet there does not seem, too, as great an awareness of the need for preventive medicine, but there is some. A request for a central public health laboratory is an indication of this trend.

B. T.C.A.

At present it is proposed to review the administration procedures of the Ministry and to make recommendations to improve its operations. Communication with the outlying health centers is very bad. Supplies and equipment requested by health centers never arrive and personnel sit for months and sometimes years with nothing to do because of lack of supplies. It is hoped that this bottle neck may be eliminated to a degree.

First/

First one or two demonstrational programs in general sanitation will be established in cooperation with the Ministry. These may take the form of well improvements or privy construction or malaria control.

In the area where there is to be a community development program, one or two clinics may be established.

From the first observations it seems that the greatest benefits will come from improvement of administrational procedures, consultation on how public health needs can be met, training of nationsl, professional and sub-professional personnel, both inside and outside of the country.

C. Other Agencies

At present there is a malaria control team located in Jidda and a venereal disease control team located in Mecca from the World Health Organization. Originally it was agreed by the Saudi Arabian Government to provide counterpart teams to be trained by the W.H.O. people. Thus far this has not been done. It is proposed to work closely with the W.H.O. people to know what plans they have and what operations they are carrying out. Continued pressure will be put on the Ministry to provide the necessary teams for training which were originally agreed upon. Later it may be possible to plan a large malaria control project with all three agencies participating.

IV. Objectives for Point 4 Action

Simply stated, our objectives are to improve the public health of the country by strengthening the Ministry of Health so that it can and will carry on programs for the control of communicable diseases.

V. Resources Required for Point 4 Program

VI. Projection by Phases of Work

Since the Health Division has only been in existence two weeks, the questions raised by the above two titles cannot be answered at this time. As the division becomes more acquainted with the problems, possible solutions and supplements to this report will be made.

Gerald W. Ferguson, Chief
Health and Sanitation Division

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UNITED STATES OF AMERICA
TECHNICAL COOPERATION ADMINISTRATION
Jidda, Saudi Arabia
December 21, 1952

LONG TERM COUNTRY PROGRAM
SAUDI ARABIA
AGRICULTURE

Annex B

Code 100

I. Agriculture Problems in Saudi Arabia

The well-being of a country is measured in terms of natural resources, education of its people and their abilities to produce. Other than petroleum of recent discovery, natural resources in Saudi Arabia barely provide a subsistence level of living for its population, which is predominantly rural or desert. Less than 10 percent of the population is literate. Agricultural practices are primitive. There is no modern industrialization except the east coast oil industry. Consequently production per person is very low.

In Saudi Arabia, increased agricultural production constitutes one of the greatest needs affecting the welfare of its people. The present general standard of living is low, but it can be raised by efficiently producing more for home consumption, and by producing a surplus for the markets. Therefore, a partial solution to some of Saudi Arabia's present economic and social problems is that of increasing its present agricultural output.

Two important foundation stones of a sound and adequate agricultural program are a plenty of fertile soils and abundant rainfall. Saudi Arabia possibly has sufficient land in proportion to its population that would be suited to farming if there were sufficient soil moisture, but rainfall is very inadequate, averaging less than 4 inches annually. This means that practically all agricultural production is the result of moisture provided by wadi soils, springs or dug and drilled wells. Water being the limiting factor in the growing of agricultural products in Saudi Arabia, increased production awaits more available water and the better use of the present supply.

The area of Saudi Arabia approximates that of the U.S. east of the Mississippi River or between 600,000 and 800,000 square miles (927,000 square miles - Embassy report). It is one large desert with mountains, lava fields, sand dunes, barren plains, and some arable land when a very small rainfall (4-inch average) can be supplemented by springs and wells. Estimates of the total population ranges from three to five millions. About 25% of the people are Bedouins who, with their flocks of sheep, goats and camels, roam the vast non-arable lands of the country. Village life is characteristic wherever there is sufficient water to provide a few families a sedentary mode of living. A few of these villages have a population of several thousand, and whenever the watered areas (oases) are sufficiently large, such as Hofuf or Qatif of Hasa in the east, several villages are found close together.- Mecca, Riyadh, Jidda and Medina are the major cities of Saudi Arabia, and their respective populations are estimated to be 100,000; 150,000; 80,000; 80,000 and 15-20,000.

The major/

The major crops produced in Saudi Arabia are:

	Metric tons (1949-50)*
Dates	57,950
Wheat	20,199
Barley	15,268
Sorghum	33,115
Rice	2,283
Lentils	342
Sesame	92

Other crops for which there are no production data (but grown in small quantities insufficient for local demand) include cucumbers, squash, watermelons, canteloupes, eggplant, okra, peas, tomatoes, alfalfa, millet, Sudan grass, Bermuda grass, apples, oranges, plums, figs, lemons and pomegrantes. A very small amount of cotton is grown, by some farmers for a few domestic purposes.

Since agricultural production is inadequate to meet domestic consumption, Saudi Arabia depends on imports for a substantial part of its needs. Imports have been estimated as follows:

	100 metric tons		
	1938	1946	1950
Wheat	13,464	12,722	50,000
Flour	11,204	3,856	N.A.
Millet	6,684	407	N.A.
Rice	30,207	2,218	40,000
Sugar	8,577	5,119	N.A.
Tea	579	165	N.A.
Coffee	1,857	N.A.	N.A.
Dates	846	166	N.A.

SOURCE: SAG Report to Middle East Supply, 1938; Agriculture Report for 1950; and U.S. Embassy Estimates for 1946.

Saudi Arabian imports from the U.S. in 1948 are listed in Annex A of this paper. Agricultural exports are very small and are limited to dates and hides. This means that Saudi Arabia needs to balance its economy by not only increasing its agricultural output for domestic consumption, but also for export.

Livestock on farms and ranges are confined to sheep, goats, cattle, chickens, donkeys and camels. Cattle in small numbers are used primarily for work animals and for milk production. Lamb, mutton and chicken constitute the main meat diet in Saudi Arabia. Feed for livestock is very limited, of poor grade, resulting in the production of inferior animals. Data on the number of livestock are not available, however, sheep and goats are of most importance and appear to be equally divided in number.

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*Middle East Economic Problems: IV Saudi Arabia

Saudi/

Saudi Arabia has no forests.

II. Existing Governmental and Other Programs

A. Host Government

The Saudi Arabian Agricultural Administration was organized in May, 1948. A Director was appointed to have charge of the Administration and the first annual budget was approximately 3,000,000 riyals or about $750,000. A review of the Agricultural Administration's first annual report, 1948-49, shows that work was accomplished to a certain extent as follows:

a. Improving irrigation methods
b. Improvement and reclamation of agricultural lands
c. Improving agricultural production
d. Establishing model farms
e. Planning for research stations
f. Loans to farmers
g. Establishing repair work shops (for water pumps)
h. Agriculture publicity
i. Agriculture quarantine and customs
j. Recruiting technical experts from other countries

At At present the Agricultural Administration program consists only of work in horticulture, plant quarantine and agriculture statistics. The horticulture work is confined to a small demonstration farm on the Mecca Road a few miles east of Jidda. Personnel of the Administration consists of the Director of Agriculture, Assistant Director of Agriculture and a technical assistant to the Director, Assistant Director of Agriculture and a technical assistant to the Director. There are no trained personnel to serve as counterparts to Point 4 technicians. The 1952-53 budget is 1,297,550 riyals or $350,000, representing a reduction over the 1948-49 budget. There are no agriculture schools.

B. Other Agencies

For the past few years FAO has been making studies of dates, soils in the Asir, dam sites and water resources. Just recently (October, 1952) it sent a chief of its Agriculture Mission to Saudi Arabia, and a sizable staff is being recruited to initiate an agriculture program in Wadi Jizan of the Asir. This program, if approved by SAG, will embrace a research station, an agricultural institute, and agricultural extension work.

III. Means of Resolution

A. By Saudi Arabia

1. Inventory the more important agricultural needs of the country.
2. Determine what agricultural needs or problems should be worked on first, or set up a priority list of the inventoried needs under No. 1 above, keeping in mind that basic needs should receive first attention.

3. Strengthen

3. Strengthen the present Department of Agriculture by establishing or activating additional organized divisions with adequate personnel to provide competent leadership in the major agricultural problem areas.

4. Require that all department administrative and technical personnel be properly trained in those areas of agriculture where they will work.

5. Provide well-qualified agricultural technicians for leadership and instruction on a doing or vocational level in the important farming areas of the country. Set up a recruiting and training program which will provide these technicians.

6. Establish demonstration plots in each important farming area or region to be used by the agricultural technicians for testing farm enterprises and for determining improved farm practices. Thought should be given to establishing a Kingdom agriculture experiment station and one or two sub-stations for the purpose of conducting research.

7. The lack of roads is a limiting factor in further agricultural development. The Government can greatly stimulate greater food production by providing roads between important farming areas and market centers.

8. Provide a budget that will permit the Director General of Agriculture to make a substantial start toward the solution of agricultural problems in Saudi Arabia and further provide for increases in the budget as the program of services expands.

B. By TCA

TCA's part in helping resolve agricultural problems confronting Saudi Arabia can be provided by (a) collaboration with Government officials concerning ways and means of solving present agricultural problems, and (b) by furnishing technical assistance via trained personnel in the respective agricultural problem areas.

C. By other Agencies

At present, it occurs that other agencies of necessity would have to follow a similar program of aid as set forth in "B" above, unless they could provide considerable material assistance.

IV. Objectives for Point 4 Action

Saudi Arabia is a large country, sparsely settled. The entire country is desertic and very few crops are grown without irrigation. Its basic economy is pastoral with agriculture pursued in wadis and oases where there are springs, some wells, and an average rainfall of about 4 inches. The country has never been self-sufficient agriculturally and has hadito import food staples such as coffee, tea, sugar, rice and other cereals.

During the years immediately ahead Point 4 should pursue the following agricultural objectives:

1. Increase/

1. Increase Saudi Arabia's food production for both home consumption and exportation,

2. Provide technical information and demonstrate improved farm practices.

3. In cooperation with the Department of Agriculture establish demonstration plots or fields in certain areas for the purpose of conducting a modest program of crop research and improved use of water.

4. Establish a livestock improvement program by encouraging farmers to follow improved breeding, feeding, pasture and disease control practices.

5. Reduce farm losses due to insects and diseases.

6. Foster the improvement of governmental services to agricultural producers, particularly by extending improved farm practices via technical assistance.

7. Develop greater confidence on the part of farmers of Saudi Arabia in the services which the Government will provide.

8. Assist the Government to provide on job training for Saudi Arabians in all major farm enterprises and in organizing elementary agriculture schools.

9. Encourage the development of new farm lands where sufficient water is available and when such developmentis economically feasible.

NOTE: Land distribution, land ownership and agricultural credit will become of greater concern as the agricultural economy is developed and expanded.

10. Initiate agricultural improvement programs at the earliest dates possible in the communities of El Darb (Asir) and Khulais (Hojaz). Such program should be extended to other important agricultural areas agreed upon in cooperation with officials of the SAG when technical personnel and funds are available.

V. Resources Required

Personnel required to establish agricultural improvement programs in given communities will include general extension agriculturists and advisory and research specialists in the fields of agronomy, animal husbandry, including a veterinarian, horticulture, entomology, irrigation and farm equipment. Equipment and supplies required will include appropriate transportation vehicles, simple farm tools, soil survey and testing kits, insecticides and fungicides, drugs, vaccines, and educational aids.

VI. Projection by Phases of Work

This section will be filled in after technicians have arrived. However

emphasis/

emphasis will be placed on major enterprises. Agricultural technicians will work closely with other technical divisions of Point 4 and other service agencies whenever appropriate.

William J. Edens
Chief, Agriculture Division

UNITED STATES OF AMERICA
TECHNICAL COOPERATION ADMINISTRATION
Jidda, Saudi Arabia
December 21, 1952

LONG TERM COUNTRY PROGRAM
SAUDI ARABIA
PUBLIC ADMINISTRATION AND GOVERNMENT SERVICES DIVISION

Annex B Code 700

General Considerations

The problem of improvement in public administration can be better understood by reference to certain social and political conditions. The Government is an absolute monarchy with no limitations on the power of the King except religious law. Since the King is also the recognized head of the most powerful religious group, this limitation is not very effective. The King rules in much the same manner as when he was a head of a semi-nomadic tribe - by personal attention to every routine operation and by the advice and assistance of councils and committees of his own choosing. This Government by ad hoc committee is also followed by all agencies of the Government and the most minor problems are habitually referred to such committees. Delegation of authority is practically unknown and few, if any, officials are granted authority commensurate with their responsibilities. This inhibits initiative to the point that most officials refuse to offer any suggestions in the fear of losing prestige should their suggestions not be approved.

Moreover, the merit system is unknown in Government services so appointment and advancement is on the basis of family connection and personal relationship with the higher-ups. No stigma is attached to the high official who enriches himself at the expense of the state nor to the minor official who extracts tribute for services he is supposed to be paid to perform. The low salary scale coupled with constantly recurring arrears in pay makes the acceptance of gratuities natural and almost inevitable. The level of education is low, even for the Middle East. Since education is a function of the clergy, the emphasis is naturally on religious dogma rather than science, mathematics, economics and collateral subjects on which the modern scientific and industrial age depends.

The religious, social and political habits, customs and traditions are heavily weighted on the side of maintenance of the status quo. There is, however, a brighter side of the picture. Some of the higher officials, notably the Minister of Finance, has realized the need for a better administration and for remedies for the constantly recurring financial crises due to uncontrolled spending. In addition to the technical assistance requested from TCA, SAG has employed a firm of expert accountants for auditing and general improvement in accounting, two Egyptian customs experts, as well as a Palestinian economic advisor. When all the circumstances are taken into account, the program outlined below must be regarded as truly long term, measured in generations rather than years. Such a program cannot be expected to advance more rapidly than the advance in education, using the term in its broadest implications.

The program requested by SAG and so far carried on by TCA is not so broad as the title would suggest. It has to do only with certain phases of public finance: currency and banking, customs and tariffs, budgets and accounts. The program

began/

began in July, 1951, with the arrival of a currency and banking expert, but who was actually an employee of the SAG until October, 1951, when he was transferred to TCA as Acting Acountry Director and Chief of the Finance Field Party. The tariff expert arrived in September, 1951, while the customs and budget experts arrived in February, 1952. While the original request from SAG included five technicians, the accountant has not as yet been appointed and the currency expert retired in October, 1952. The present staff is as follows:

a. Chief of Division, who also acts as Customs Advisor
b. Tariff Advisor
c. Budget Advisor, who has also assumed the duties of the Accounting Advisor

With the exception of a Statistician requested for the proposed foreign trade statistical office, the staff is considered adequate unless the way should be opened for an enlargement of the program - which may or may not eventuate. While there is need for improvement in all fields of public administration, until the SAG realizes this need and asks for assistance, any gratuitous advice in these fields seems inadvisable.

In order to evaluate a long term program, it may be helpful to state briefly the objectives and achievements in each field of activity.

I. Currency and Banking.

A. Objectives

Stabilization of currency, establishment of a national bank to act as a central depository and disbursing office, handle foreign exchange operations, engage in financial and economic research, put the new gold sovereigns in circulation and in general to take over the functions of Financial Advisor to the Government.

B. Achievements.

The primary objectives have been reached with the establishment by Royal Decree of the Saudi Monetary Agency in October, 1952. The Agency should be able to contribute much to the economic advance of the country by its efforts toward stabilization of currency and lessening the tremendous fluctuations of the value of the silver riyal in relation to gold, dollars and the other foreign currencies. The centralization of revenues and disbursements will also contribute to orderly operation of the budget.

C. Future Objectives.

1. Elimination of the so-called "customs qirsh" as the accounting unit and substitution of an accounting unit of larger value, either the Saudi Sovereign or the Saudi Riyal.

2. Elimination of the bimetallic monetary standard and substituting gold.
3. Introduction of fiduciary subsidiary coinage with value ratios of

10,/

10, 100 and 1000 to the sovereign.

The disadvantages of the bimetallic currency standard are too well known to need elaboration. The same is true of a non-decimal monetary system. However, the difficulties involved in adopting fiduciary coinage are also very great. The principal difficulty stems from the fact that the people have always used coins of silver and gold which offer the best medium of savings to a people who do not have banking facilities. There is no basis for an estimate as to when or if the above objectives may be reached.

II. Customs and Tariffs.

A. Objectives.

General improvement in customs procedure, including establishment of a central customs administration; introduction of a new Tariff Law with readjustments in rates to conform more nearly with the generally accepted principles of taxation.

B. Achievements.

1. Tariff

A new Tariff Law became effective on December 3, 1952. Its principle features are generally lower duties, especially on commodities forming the bulk of consumption of the poorer classes; elimination of all export duties; improved nomenclatures and classification of commodities; fuller use of advalorem duties; exemption or lower rates on raw materials, machinery, medicine and articles used in industrial and agricultural production. The new schedule of duties will substantially lower the burden of taxation and thereby improve the standard of living especially of the poorer classes. In effect it will distribute some of the benefits of the large income from oil to the people as a whole. The new tariff will likewise contribute a great deal toward the improvement in the administration of customs.

2. Customs Administration.

A partial study of customs administration has been made. Recommendations have been made for many improvements in procedure and administration. Many of these recommendations have been accepted in principle and some have already been acted upon, especially elimination of payment of duty by promissory notes, use of actual exchange rates in valuation of imports and recognition of legitimate trade discounts in valuation. Most of the other proposed procedural changes have been provided for in the administrative sections of the tariff.

C. Future Objectives.

1. Tariff.

To aid in the introduction of the new tariff especially in securing uniform interpretation and assessment; to prepare a comprehensive commodity index

for/

for guidance of the assessing officers; to study the economic effects of the tariff and to advise on tariff policy.

2. Customs Administration.

To aid in the formation of the new central administration; the introduction of the new procedure involved in the use of the bill of entry and certified invoice; introduction of a more adequate accounting system; improve the handling of cargoes, especially at the Port of Jidda; revise the handling charges imposed on goods at Jidda; to study and report on other phases of customs, such as free-trade zones, operations of coast guard, handling of air-freight, passenger baggage and parcel post; to continue efforts toward simplification of procedure, especially to eliminate multiple assessments and excessive use of revenue stamps; elimination of the "customs qirsh" as the unit of accounting and the establishment of a statistical office to compile and publish data on foreign trade and shipping; inaugurate a training program for customs employees and introduce some sort of merit system as a basis for appointment and promotion.

There is no reliable basis for an estimate as to when these several objectives may be reached. The SAG will obviously need expert assistance for many years to come. There is hope, however, that SAG will realize the advisabilit of employing its own experts especially in customs administration and statistics. It seems likely also that within a year, one TCA expert will be sufficient to handle customs and tariff matters in which case the Tariff Advisor might well be withdrawn.

When all the circumstances have been taken into account, the achievements so far are very encouraging. They have been obtained by on-the-spot study and observation of actual operations and by hundreds of conversations with employees on particular phases of operations and by dozens of conferences with the higher officials of customs and of the Ministry of Finance. Each idea advanced for the improvement in procedure has been thoroughly discussed as well as each provision in the tariff and only such proposals and provisions on which complete agreement has been reached have been adopted. It has been a long slow process essentially a training and educational effort which must continue if the proposals are to be effectuated. Securing acceptance "in principle" by the top officials is comparatively simple and easy compared with placing the new procedures in successful operation.

III. Budget and Accounting.

A. Objectives.

To advise and assist in the introduction of a budget and accounting system which will result in a more orderly process of expenditure and control; to improve the format and content of the expenditure estimates; to initiate methods by which expenditures may more nearly conform to the appropriations thus eliminating the all too usual financial crises due to uncontrolled spending.

B. Achievements./

B. Abhievements.

1. Commitment on the part of SAG to budget all revenues and available funds.

2. Endorsement of "anti-deficiency" measures by high officials, including the Crown Prince and the Minister of Finance.

3. Improvement in details of the "call for estimates", especially as to personnel, long-term construction, contracting and procurement.

C. Future Objectives.

The real weakness of the budget position is to be found in the large area of expenditures, that is, of the King and the Royal Family, over which little or no control is possible. Added to this is an inadequate system of accounting and control. The immediate and long term TCA objectives appear to be somewhat as follows:

1. To improve the format and classification of expenditures.

2. To improve the budgetary and general accounting systems so that reliable and up-to-date accounting records will be available for the disbursing officials.

3. To secure a greater measure of control over all expenditures and more especially the so-called "Riyadh" expenditures and those of departments headed by members of the Royal Family.

4. To improve project accounting systems for development and construction.

5. To advise and assist in better organization and staffing of the sections of the Ministry of Finance concerned with budgeting and accounting.

6. To improve accounting and disbursement procedures of the public utility and other agencies which collect and disburse revenues.

7. To establish a reserve fund against the time income of oil may be reduced.

How much of the above named objectives can be attained and when will depend on factors beyond control of TCA. Certainly a budget system without adequate accounting and control serves little useful purpose. Some measure of control may be possible in the less sensitive agencies such as the post office, customs and others not headed by royalty, but there is no basis for hope of much improvement in "Riyadh" budget, at least in the foreseeable future. However, the Minister of Finance realizes fully the constant threat to fiscal plans by unrestrained spending and he is apparently using his very considerable personal influence with the King toward moderation in the royal demands on public funds.

IV. Other/

IV. Other Phases of Public Administration.

There is a wide area in other phases of public administration where improvements could no doubt be made. No program for improvement in this field has been requested by SAG or planned by TCA, but it should be placed on the agenda for future consideration. In the field of public finance, a study should be made of the tax system with a view to advice and assistance in introducing one more nearly in line with the generally accepted principles of taxation. This is a sensitive area, however, by reason of religious prejudice against all forms of collection involving the use of force. It seems likely that a study of the conditions affecting private investments should be made and [illegible] that the program for economic and social betterment will uncover many fields in which private financing is advisable. It is obvious that the ideas and attitude of SAG officials as expressed in recent orders, if adhered to will hardly create a favorable environment for private investment. Unless this attitude can be modified by sound advice, SAG will be placed in a disadvantageous position in competing for private capital essential to economic development.

John A. Dunaway
Chief, Public Administration and
Government Services Division

UNITED STATES OF AMERICA
TECHNICAL COOPERATION ADMINISTRATION
Jidda, Saudi Arabia
December 21, 1952

LONG TERM COUNTRY PROGRAM
SAUDI ARABIA
NATURAL RESOURCES

Annex B

Code 400

I. Problem in Field of Activity

The nature and extent of the problem: Concerns water, both surface and ground, its development and conservation; the exploration and development of metallic and non-metallic mineral depots; the accurate charting for relation of natural resources to roads, railroads, coastal areas, air fields, agricultural lands, etc. The problems are as broad as the land and as deep as the drill. The entire population is affected. Probably no general economic development can be accomplished without consideration of natural resources and particularly that of water.

II. Existing Governmental and Other Programs

The Arabian American Oil Company has developed the natural resources of Eastern Saudi Arabia, with spectacular results.

The Saudi Arabian Government has a department of mines located in Jidda which is currently developing a small gold property in the Nejd. There is no systematic or scientific search or study of natural resources other than those of Aramco.

The country has a drilling program carried out by an American contractor and under the technical direction of the Natural Resources Division of the Point Four Program. The Saudi Government spent $1,093,300 on this program during the past year. Plans include an expenditure of this magnitude during the coming year.

The Food and Agricultural Organization of the United Nations has begun an agricultural development in the Tihama al Asir for which the Natural Resources Field Group has contributed the basic mapping and water exploration work. The budget on this work may exceed one million dollars during the next year.

III. Means of Resolution

Problems that can be corrected by:

A. Country itself can supply young technicians to map geology, carry on stream gaging and ground water program, help in basic map work, test drilling, pumping tests, sampling of deposits, etc. It can and should finance the bulk of the cost.

B. TCA should carry on basic map work, including aerial photography, geologic and geographic maps for other work in the country, direct an

exploration/

exploration drilling program and help start a production well program. They should cooperate closely with Saudi Arabian Government Ministry of Finance in particular the Department of Mines, Aramco, FAO.

IV. Objectives for Point Four Action

Develop all available water supplies without exceeding safe yield. Map and advise on development of all deposits and indicate areas worth intensive prospecting. Prepare adequate base maps for planning roads, railroads, agricultural developments, water pipelines, storage dams, airfields, harbors, etc.

V. Resources Required for Point Four Program

A. Finance - budget of $252,000 per year, plus whatever is needed for aerial photography, also suggest SAG finance dam construction, well and quarry installation, gaging stations and observation wells.

B. Personnel needed - Five geologists, draftsman, clerk-stenographer, file clerk, chemist, junior geologist, surveyors, etc.

C. Equipment - Field equipment for each geologist or engineer, trucks, jeeps, radio communication, surveying instruments.

VI. Project by Phases of Work

A. Exploration program.

B. Followed by development program with considerable overlap onto the exploration. Suggest development program be scaled to increase by 10 million dollars each year for next few years.

Glen F. Brown
Chief, Natural Resources
Division

SPECIAL ECONOMIC AID AGREEMENT FOR A
COOPERATIVE JIZAN HARBOR PROJECT
BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA

The Government of the United States of America and the Government of the Kingdom of Saudi Arabia have agreed as follows:

ARTICLE I
GENERAL CONDITIONS

Pursuant to the General Agreement for Special Economic Aid signed on behalf of the two Governments at Jidda on _____, a cooperative survey and construction project, subject to the terms and conditions of said General Agreement, shall be initiated at Jizan Harbor, Saudi Arabia. The obligations assumed herein by the Government of the United States of America will be performed by it through the United States of America Operations Mission to Saudi Arabia, an Agency of the Government of the United States of America, represented in Saudi Arabia by the Director of the United States Operations Mission to Saudi Arabia (hereinafter referred to as the "Director"). The obligations assumed herein by the Government of the Kingdom of Saudi Arabia will be performed by it through its Ministry of Communications, represented by the Minister of Communications (hereinafter referred to as the "Minister). The Director and the Minister shall serve as Co-Directors under this Agreement. Any right, privilege, power or duty conferred by this Agreement upon either the Director or the Minister, and/or Co-Directors, may be delegated by either of them to any of his respective assistants, provided that each such delegation shall be acceptable to the other. However, such delegation shall not limit the right of the Director and the Minister, and/or Co-Directors, to refer any matter directly to one another for discussion or decision.

ARTICLE II
PURPOSE OF PROJECT

The purpose of this cooperative project is to stimulate and increase the inter-

change of technical knowledge and skill between the two countries and to facilitate the economic development of Saudi Arabia through the preparation of a survey to be made of the present and future requirements of Jizan Harbor, and the immediate construction of limited facilities at that point to enable said harbor to be operated as a port of entry on the Red Sea for Saudi Arabia. The survey shall be of the character and completeness required to permit the solicitation of bids for the construction of a small pier and/or jetty to facilitate and expedite the loading and unloading of vessels at Jizan. It is to be assumed that separate contracts will be let for the surveying and the construction of the pier and/or jetty, respectively.

ARTICLE III
JOINT CONTRIBUTION

The two Governments shall make the following contributions:

1. It is estimated that the total cost of the survey and the construction of the pier and/or jetty shall not exceed the sum of Two Hundred Thousand Dollars ($200,000.00), and in order to obtain said funds the Government of the United States of America and the Government of the Kingdom of Saudi Arabia hereby agree to each contribute the sum of One Hundred Thousand Dollars ($100,000.00).

2. The Two Hundred Thousand Dollars ($200,000.00) shall be deposited in a Joint Account in such commercial bank or banks as the Co-Directors shall agree upon, and shall be available only for the purposes of this Agreement. No moneys shall be withdrawn from said Joint Account for any purpose whatsoever, except by the issuance of a check or other proper withdrawal document signed by both of the Co-Directors, and/or signed by both designees of said Co-Directors.

3. The books of account and all other documents pertaining to this project shall be open at all times for inspection and examination by authorized representatives of the Government of the United States of America and the Government of the Kingdom of Saudi Arabia. The Co-Directors and/or their duly appointed representatives shall render monthly reports covering the disbursing of said Joint Account, as well as

other matters directly connected with this project.

4. In addition, the Government of the Kingdom of Saudi Arabia shall furnish petroleum fuel and lubricants; adequate and suitable housing in Jidda for the Project Manager and his family of the respective Contractors, and for ____ technicans of each Contractor in Jidda as may be required; canteen privileges and access to laundry facilities for the personnel of each Contractor in Jidda; access to shop facilities for the repair of equipment of each Contractor; suitable office space in Jidda for each Contractor; and police proection the personnel of each Contractor and their equipment when and if required in any area in Saudi Arabia.

5. The Government of the Kingdom of Saudi Arabia agrees to hold each of the Contractors harmless from civil suits brought against said Contractors by third parties for injury or property damage arising out of the carrying out of this project in Saudi Arabia; to grant to the personnel of said Contractors, other than Saudi Arabian personnel, and accompanying members of their families, engaged on this project the exemptions from taxes and duties provided in Article IV of the General Agreement for Technical Cooperation; to grant with respect to funds, material and equipment introduced into Saudi Arabia by the said Contractors for use on this project the exemptions provided in Article III, section 2, of the said General Agreement, and to grant to each Contractor exemption from all corporate and business taxes applied solely by reason of said Contractors activities in connection with this project.

ARTICLE IV
ANTI-ATTACHMENT

The two Governments will establish procedures whereby the Government of the Kingdom of Saudi Arabia will so deposit, segregate, or assure title to all funds or property of any kind allocated to or derived from any program involving the use of contributions by the Government of the United States of America, that such funds shall not be subject to garnishment, attachment, seizure, or other legal process by any firm, agency, corporation, organization, or government when the Government of the

Kingdom of Saudi Arabia is advised by the Government of the United States of America that such legal process would interfere with the attainment of the objectives of the project.

ARTICLE V
EFFECTIVE DATE AND TERMINATION

This Cooperative Jizan Harbor Project Agreement shall become effective on the date of signing and shall remain in force for a period of _____ or until three months after either Government shall have given notice in writing to the other of intention to terminate it, whichever is earlier.

This Agreement is prepared in triplicate in the English and Arabic languages and signed at Jidda on this _____ day of _____, 1954.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA,

_____
Director,
UNITED STATES OF AMERICA OPER-
ATIONS MISSION TO SAUDI ARABIA.

FOR THE KINGDOM OF
SAUDI ARABIA,

_____
Minister of Communications.

Jozan Barber

1. Pat. Lab.
2 Hous. Pm. tech
3. Canteen - Laundry
4 shops facilities
5 office space
6 Police Station
7. Recreations

Jizan Harbor

The survey requirements for the proposed improvements at Jizan Harbor should include the following: water depth soundings to enable pier or jetty to be constructed near deep water in harbor; sea bottom soundings (probably use a diver) to determine solid ground for foundations; detailed design and specifications for construction of pier or jetty, including b lue-prints, etc., and a detailed cost estimate of the construction work.

Abha Dam

The survey requirements for the proposed Abha Dam should include: proper selection and staking out of site; determination of sand removal or fill and possible drilling for sound foundations; detailed design and specifications for construction of dam, including blue-prints, etc., and a detailed estimate of cost of construction of the dam.

In order to perform the necessary for the above projects, it will require the services of a Consulting Engineer or an engineering firm experienced in this type of work, and the necessary assistant engineers for both surveys.

Final reports covering both surveys should be of the character and completeness required to permit the immediate solicitation of bids for the actual construction work.

Draft

AGREEMENT

BETWEEN

THE UNITED STATES OF AMERICA

AND

JOHN DOE ENGINEERING COMPANY

MEMORANDUM OF AGREEMENT made this day of 1954, between the Government of the United States of America, represented in Saudi Arabia by the United States of America Operations Mission to Saudi Arabia (hereinafter referred to as the "USAOM"), and the John Doe Engineering Company (hereinafter referred to as the "Contractor"), a corporation organized and existing under the laws of the State of Delaware, with its offices and principal place of business at 100 John Street, New York, New York.

WHEREAS, the Government of the United States of America, acting through the USAOM, pursuant to the General Agreement for Special Economic Aid between the Government of the United States of America and the Government of the Kingdom of Saudi Arabia signed at Jidda on _____, 1954, is prepared, as a part of its technical cooperation program with the Kingdom of Saudi Arabia, under the terms of a bilateral project agreement with the Government of Saudi Arabia, to cooperate with the Kingdom of Saudi Arabia in making highway surveys to which both governments will contribute a part of the cost; and

WHEREAS, the USAOM has determined that the Contractor is well qualified to make such surveys on its behalf, and that utilization of the Contractor's services will result in the most effective utilization of public and private personnel and facilities in carrying out the purposes of the General Agreement for Special Economic Aid in this instance; and

WHEREAS, the Contractor has indicated its willingness to furnish such surveys to the Kingdom of Saudi Arabia on behalf of the USAOM;

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

A. On behalf of the USAOM and for the Government of the Kingdom of Saudi Arabia, the Contractor shall make highway surveys between the following points:

Mecca - Taif
Jidda - Jizan
Abha - Taif
Riyadh - El Kharj
Riyadh - Duraya

In executing these surveys, the Contractor shall perform all services subject to the inspection and acceptance of the Director of the United States of America Operations Mission to Saudi Arabia, or his duly designated representative (hereinafter referred to as the "Inspector").

1. Along the entire routes of the above mentioned highways the Contractor shall perform the following services with the degree of accuracy necessary for the letting of construction contracts and the securing of financing for the subsequent highway construction:

(a) Select and locate with adequate markings, spaced at proper intervals, the most advantageous route for the respective highways from both an economic and engineering standpoint acceptable to USAOM and the Government of the Kingdom of Saudi Arabia, and prepare the necessary maps and profiles showing the grades, curves, fills, etc.;

(b) Furnish specifications, including quantities, qualities and type, of the road construction materials and grading and fill required;

(c) Make definitions, including type and location on the maps and profiles, and a cost estimate, of drainage structures, sufficiently complete to enable the subsequent construction contractors to proceed with detailed field investigation and to prepare final detailed design;

(d) Make definitions, including types and location on the maps and profiles, and a cost estimate, of service structures, including bridges, culverts, etc., sufficiently complete to enable the subsequent construction contractors to proceed with detailed investigation, such as drilling for bridge and culvert foundations, and to prepare final detailed designs.

(e) Make an estimate of the quantity and quality and location of materials available and suitable for the construction of the highways, and of the cost of construction, including the estimated cost of highway material.

B. The Contractor shall complete and deliver, as the USAOM shall direct, the

the respective highway surveys, acceptable to the Inspector, specified in paragraph A of this Article I, within _____ months after the entry into force of this Agreement.

C. The Contractor may, after advance notice to the USAOM, enter into subcontracts with a subcontractor approved by the USAOM for any aerial photography or mapping required in the performance of its services hereunder; provided, however, that no such subcontract shall be on a cost-plus-a-percentage-of-cost or a cost-plus-a-fixed-fee basis.

D. The Contractor shall furnish all materials, equipment, and supplies required for the performance of its services under this Article I. Upon the conclusion of its services under this Agreement, the Contractor shall place in good serviceable condition and deliver to the USAOM, as directed by the Inspector, all non-expendable equipment and unexpended materials and supplies purchased by it for use under this Agreement. The Contractor shall maintain and furnish to the USAOM on conclusion of its services hereunder an accurate inventory of such equipment, materials, and supplies, and shall at its own expense replace any such non-expendable equipment lost, destroyed, or damaged due to the negligence of the Contractor or of his subcontractors, agents, or employees, but shall not be otherwise liable for loss of or damage to such equipment. Title to such non-expendable equipment shall be in the Government of the United States of America at all times.

E. The services performed and the materials, supplies, and equipment furnished by the Contractor under this Agreement shall be in accordance with a budget and table of equipment prepared by the Contractor and approved by the USAOM, which shall specify the personnel employed by the Contractor under this Agreement, and the schedule of salaries to be paid to each personnel, and all materials, supplies, and equipment of a value of over One Hundred Dollars ($100.00) per item to be supplied by the Contractor, and shall contain an estimate of other expenditures to be made by the Contractor under this Agreement. The documents may be subsequently supplemented and revised with the approval of the Inspector.

F. The Contractor agrees to replace any employee serving in Saudi Arabia here - under on the request of the Inspector.

ARTICLE II

A. In consideration of the Contractor's undertakings under this Agreement, the USAOM shall reimburse the Contractor in United States Dollars for the United States Dollar costs incurred by it in performing such undertakings and in addition shall pay the Contractor a fee in United States Dollars fixed at _____ Dollars, provided, that the total payments to the Contractor hereunder shall not exceed _____ Dollars. Costs for which the Contractor shall receive reimbursement hereunder shall consist of the items of direct cost provided for in the Contractor's budget specified in ArticleI, section E hereof, plus overhead expenses calculated at a provisional rate of Fifteen Per Cent. (15%) of the direct salaries and wages of overseas personnel reimbursed by the USAOM under this Agreement and Sixty Per Cent. (60%) of direct salaries and wages of personnel in the United States reimbursed by the USAOM under this agreement, subject to adjustment to the actual overhead rate as determined on audit by USAOM of the accounts of the Contractor on the completion of the Contractor's services under this Agreement.

B. Reimbursements to the Contractor under the Agreement shall be made by the USAOM on the basis of properly certified vouchers submitted to it by the Contractor no oftener than monthly and accompanied by such supporting documents as the USAOM shall request. Payment of the fee specified in Section A of this Article II shall be in ten equal monthly installments of _____ Dollars each and the remainder on completion of the Contractor's services hereunder.

C. The Administrator of Foreign Operations Administration and the Comptroller General of the United States, or any duly authorized representative of either, until the expiration of three years after final payment hereunder, shall have access to and the right to examine any directly pertinent books, documents, papers, and records of the Contractor or any of his subcontractors engaged in the performance of and involv-

ing transactions related to this Agreement or subcontracts thereunder.

ARTICLE III

USAOM shall endeavor to arrange, under the bilateral project agreement between the Government of the United States of America and the Government of the Kingdom of Saudi Arabia with respect to the highway survey project, for the furnishing to the Contractor by the Government of the Kingdom of Saudi Arabia of the following:

1. A sum in Riyals equivalent to _____ Dollars, out of which the Contractor shall pay the Riyal cost of food for its personnel, petroleum fuel and lubricants, local Saudi Arabian labor, and miscellaneous Riyal expenses.

2. Adequate housing for the Contractor's project manager and family in Jidda, and for _____ single men in Jidda as the Contractor shall require.

3. Canteen privileges and use of laundry facilities for personnel in Jidda, and the use of shop facilities for the repair of equipment.

4. Suitable office space for the Contractor's headquarters for this project in Jidda.

5. Police protection when and if required by the Contractor in any area in Saudi Arabia.

6. Aircraft and crews and all expenses for preliminary air reconnaissance of proposed highway routes, as required by the Contractor.

7. Access to and prints of any existing available aerial photographs of the proposed highways.

8. An agreement to hold the Contractor harmless from civil suits brought against the Contractor by third parties for injury or property damage arising out of the carrying out of the highway survey project.

9. The same treatment with respect to taxes, customs and import duties, service charges, investment or deposit requirements and currency controls for personnel of the Contractor, other than Saudi Arabian personnel, engaged in performing services under

this Agreement and for funds, materials, and equipment introduced into Saudi Arabia by the Contractor and used in performing such services as is provided for personnel and funds, materials, and equipment of the Government of the United States of America under the terms of Article III, section 2, and Article IV of the General Agreement for Technical Cooperation between the United States of America and Saudi Arabia signed at Jidda on January 17, 1951.

10. The exemption of the Contractor from all Saudi Arabian corporate and business taxes applied to it solely by reason of its activities under this Agreement.

In the case that the Government of the Kingdom of Saudi Arabia fails to furnish any of the foregoing, an equitable adjustment of the items for which the Contractor shall receive reimbursement and of the maximum limit established for payments under this Agreement shall be made by agreement between the USAOM and the Contractor. Failure to agree to any such adjustment shall be a dispute concerning a question of fact within meaning of Article IV of this Agreement.

ARTICLE IV

Except as otherwise provided in the Agreement, any dispute concerning a question of fact arising under this Agreement which is not disposed of by agreement shall be decided by the Inspector, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. Within Thirty Days (30) from the date of receipt of such copy of decision, the Contractor may appeal by mailing or otherwise furnishing to the Inspector a written appeal addressed to the Director of USAOM and the decision of the Director or his duly authorized representative for hearing of such appeals, shall be final and conclusive, provided, that if no such appeal is taken, the decision of the Inspector shall be final and conclusive. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the Agreement and in accordance with the Inspector's decision.

ARTICLE V

In the performance of work under this Agreement, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin; and further agrees to insert the foregoing provision in all subcontracts hereunder except subcontracts for standard commercial supplies or for raw materials.

ARTICLE VI

No member or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this Agreement if made with a corporation for its general benefit.

ARTICLE VII

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the Government of the United States of America shall have the right to annul this Agreement without liability, or, in its discretion, to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

ARTICLE VIII

This Agreement shall enter into force when signed by the parties and shall remain in force for a period of ___ months thereafter, unless previously terminated as provided herein.

This Agreement may be terminated by the USAOM (1) whenever the Contractor shall default in the performance thereof, as determined by the Administrator of the FOA or the Inspector; or (2) whenever the Director of the USAOM shall determine that

such termination is in the best interests of the USAOM. Termination shall be effected by delivery to the Contractor of a written notice of termination specifying whether termination is for the default of the Contractor, in which case it shall be effective immediately on receipt of notice, or at the option of the USAOM, in which case it shall be effective Thirty Days (30) after receipt of such notice. In the case of termination at the option of USAOM, the Contractor shall be reimbursed for all expenses irrevocably incurred and unpaid by it prior to the date of termination, including the expenses of liquidating claims of employees under the terms of their respective employment contracts, and shall receive compensation including a portion of its fee for all services performed by it prior to the date of termination. In the case of termination for default of the Contractor, the Contractor shall be reimbursed for all expenses incurred by it prior to the date of termination, but shall receive no part of the fixed fee for its services under this Agreement.

This Agreement may be extended, amended, or supplemented at any time by agreement of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

JOHN DOE ENGINEERING COMPANY,

By _____

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA,

By _____

Sample
Draft

PROJECT AGREEMENT
BETWEEN
UNITED STATES OF AMERICA OPERATIONS MISSION TO SAUDI ARABIA
AND
THE MINISTRY OF DEFENSE FOR THE KINGDOM OF SAUDI ARABIA

ARTICLE I

Project Title

This project shall be known as the Civil Aviation Development and Training Project.

ARTICLE II

Participation

This Project Agreement is entered into by and between the United States of America Operations Mission to Saudi Arabia (hereinafter referred to as the "Mission"), and the Ministry of Defense for the Kingdom of Saudi Arabia (hereinafter referred to as the "Ministry"), pursuant to the Agreement for a Technical Cooperation Program in Transportation and Communications between the Governments of the United States of America and the Kingdom of Saudi Arabia dated November 10, 1952.

ARTICLE III

Aims and Objectives

This project is for the purpose of facilitating the development of modern air transportation in Saudi Arabia through cooperative action. Specifically, it is designed to provide Saudi Arabia with an advanced type of International Civil Aviation Organization standard short range navigation facility by which the training of Saudi Arabian nationals can be conducted. Such a facility will give a greater degree of safety; will provide absolute positioning, and reduce the influence of "atmospherics". It will provide a facility for training installation, operation and maintenance technicians in the use of very high frequency electronic air navigation equipment, and will further provide a greater degree of safety in air navigation by aircraft operating into and over Saudi Arabia.

Air transport is one of the most effective means of increasing the economic ad-

vantages of a Nation. A facility of this kind is required and necessary to anticipate and handle adequately the growth of air transport, and to meet the operational demands of new and more advanced types of aircraft. The low medium frequency type of navigation facilities now used in Saudi Arabia will not meet the precise navigation demands of extremely high speed aircraft.

Visual Omni Range, the present standard short distance navigation air facility has received international acceptance. In a short time virtually all aircraft will be equipped with airborne Visual Omni Range receiving equipment and Saudi Arabia will then have to provide ground Visual Omni Range facilities in order to be included in the itinerary of new airline development. Further, Saudi Arabian air transport expansion to other areas of the world will also necessitate pilot training in and experience with the Visual Omni Range facilities.

ARTICLE IV

Plan of Action

The basic purpose of this project is to install in Saudi Arabia dual Visual Omni Range and associated equipment and control facilities, and to adequately train Saudi Arabian nationals in the installation, operation and maintenance of this type of equipment. To accomplish this objective, the following action will be taken:

1. The land on which the facilities will be located shall be selected.

2. Housing facilities and other buildings required by the project shall be constructed.

3. Local personnel assigned to the project shall be instructed in the installation, operation and maintenance of the equipment during the process of installation and commissioning.

4. Selected trainees shall be chosen and sent to the United States for practical and theoretical instructions in advanced electronic devices, etc.

5. Services of an aircraft containing specialized airborne equipment shall be made available for the period of time required prior to and during the commission-

ing of the Visual Omni Range facilities.

ARTICLE V

Project Administration

1. In carrying out this project the Ministry shall provide the following:

   a. Skilled and unskilled labor necessary for the installation and operation of the Visual Omni Range facilities.

   b. The land upon which the buildings and facilities will be located.

   c. Adequate buildings and housing required for the facilities, including a primary and secondary source of electrical current.

   d. Maintenance and operation of the Visual Omni Range facilities.

   e. Expenses incurred in the process of traning local technicians in the installation, operation and maintenance of the Visual Omni Range facilities, as well as international travel cost for trainees to be sent to the United States.

   f. Aviation fuel, oil and local maintenance of aircraft to be used for flight checking and commissioning the Visual Omni Range facilities.

2. The Mission shall designate technicians who will serve in an advisory capacity on this project, and ~~from~~ United States of America Operations Mission to Saudi Arabia funds as set forth in Article VII of this Agreement shall:

   a. Provide Visual Omni Range equipment, including transmitters and associated units, in accordance with Visual Omni Range specifications. Such technical equipment shall be purchased and made available only when and at such time as adequate facilities have been provided for its housing, installation and operation.

   b. Provide an aircraft containing specialized airborne equipment for the necessary period of time prior to and during the commissioning of the Visual Omni Range facilities.

   c. Provide for the expenses of three or more carefully selected trainees who will be sent to the United States for additional instructions, etc., excluding the cost of international travel.

ARTICLE VI

Estimated Duration of Project

The installation and commissioning of the facility is expected to be completed within one year from the date the equipment arrives in Saudi Arabia.

ARTICLE VII

Project Financing

Upon the signing of this Agreement the Government of the United States of America through the United States of America Operations Mission to Saudi Arabia shall make available for this project the sum of Seventy-five Thousand Dollars ($75,000.00) from fiscal year 1954 program funds, and the Government of the Kingdom of Saudi Arabia shall make available for this project the equivalent in Saudi Arabian Riyals of _____ The FUNDS are to be used in the following manner:

Objects of Expenditure	United States Dollars	Saudi Arabian Riyals
01 Personnel services (excludes United States technicians	-	(Salaries of trainees in Saudi Arabia) 10,000
02 Travel	- 4,500	(To and from United States for trainees, etc.) 4,500
03 Transportation charges of equipment, etc., from United States to site of installation	-	(Freight charges 9,000 lbs.-New York to Jidda) 5000
04 Communication services	-	
05 Rents and utility charges	-	
06 Printing and reproduction	-	(Translation into Arabic of manuals of operation and maintenance, etc.) 5 manuals
07 Other contractual services	- 155. 1000. 7,500.	(Construction of road and power line to site, and fencing, if necessary) separate amount 7,500
08 Supplies and materials	-	(Standby generator, etc.) 2-12.5 KW auto change over system
09 Equipment-Visual Omni Range transmitters, associated units and specialized testing equipment	$37,000.00	-
10 Land and structures	-	(Cost of site, transmitter building and generator building) 25,000

Flat $20,000

Location on runway center line & landing strips - used almost purpose for landing - 15% slopes

larg

Objects of Expenditure	United States Dollars	Saudi Arabian Rivals
Brought Forward	$37,000.00	4,500 (Salary of S.A. counterpart of U.S. engineer)
11. Grants, subsidies and contributions; installation and engineering supervision by United States engineer, and flight testing	26,000.00 (a) 12,000.00 (b)	51,200 56,700

(a) Training grants for three or more Saudi Arabian nationals in the United States.

(b) Cost of supervising engineer and aircraft flight time for commissioning the Visual Omni Range.

The Visual Omni Range equipment will be consigned to the United States of America Operations Mission to Saudi Arabia and will be admitted free of all custom charges, etc.

Any additional funds which either Government may make available for use under this Agreement shall be provided in supplemental Agreements.

The total amounts allocated by each Government may be changed as circumstances warrant by an exchange of informal correspondence between the Ministry and the Mission. Shifts between object classes of expenditures may be effected by a joint decision of the Ministry and the Mission through an exchange of informal correspondence.

The respective Governments will be responsible for an accounting of the funds which it has contributed.

ARTICLE VIII

Program Equipment and Supplies

Upon the completion of the installation of the Visual Omni Range facilities, including ground and flight testing, the Visual Omni Range station shall be commissioned and title to all material and equipment shall be transferred to the Government of the Kingdom of Saudi Arabia.

ARTICLE IX

Project Reporting

A monthly progress report shall be made jointly by the Ministry and the Mission. Upon completion of the project a final report shall be prepared for the signatures of the Ministry and the Mission.

ARTICLE X

Training

Personnel training during the installation of the equipment shall be conducted under the supervision of an electronics engineer from the United States. Continuous training and operation thereafter shall become the primary responsibility of the Ministry.

In addition to the personnel training to be accomplished in Saudi Arabia, three or more Saudi Arabian nationals shall be selected and sent to the United States for specialized training in the field of very high frequency electronics equipment, installation, operation and maintenance, etc.

ARTICLE XI

Continued Operation of the Facility

After commissioning and transfer of title to the equipment to the Government of the Kingdom of Saudi Arabia, it shall continue to operate and maintain this facility as an air navigation aid in accordance with International Civil Aviation Organization standards.

This Agreement is prepared in triplicate in the English and Arabic languages and signed at Jidda on _____.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

_____
Director,
UNITED STATES OF AMERICA OPERATIONS MISSION TO SAUDI ARABIA

FOR THE KINGDOM OF SAUDI ARABIA

_____
Minister of Defense

AGREEMENT BETWEEN

UNITED STATES OF AMERICA OPERATIONS MISSION TO SAUDI ARABIA
AND
COMMANDING OFFICER OF THE UNITED STATES AIR FORCE NOW
STATIONED AT DHARAHN, SAUDI ARABIA

ARTICLE I

This Agreement is entered into by and between the United States of America Operations Mission to Saudi Arabia (hereinafter referred to as the USAOM), and the Commanding Officer of the United States Air Force now stationed at the airfield in Dharahn, Saudi Arabia (hereinafter referred to as the "USAF").

The USAOM has set aside the sum of Seventy-five Thousand Dollars ($75,000.00) from its fiscal year 1954 funds for the purchase and installation of Visual Omni Range air navigation equipment in Saudi Arabia, including three or more Saudi Arabian trainees to be sent to the United States for specialized training in the field of very high frequency electronics equipment, installation, operation and maintenance, etc., of said Visual Omni Range equipment.

The USAOM now has before the Ministry of Defense of the Saudi Arabian Government an Agreement covering the purchase and installation of the aforementioned equipment. If said Agreement is not executed on or before June 30, 1954, it is agreed between the USAOM and USAF that the Seventy-five Thousand Dollars ($75,000.00) shall be turned over to the USAF by the USAOM for the purposes as set forth in the Agreement attached hereto and made a part hereof and designated as Exhibit "A". However, no part of the Seventy-Five Thousand Dollars ($75,000.00) shall be expended by USAF unless the said USAF have executed an Agreement with the Saudi Arabian Government similar in all respects to said Exhibit "A" attached. If the USAF finds it impossible to have such an Agreement executed with the Saudi Arabian Government, the money in question shall be returned to the Foreign Operations Administration in Washington, D. C., not later than 11/1/54

This Agreement is prepared in duplicate and signed at Jidda on _____.

UNITED STATES OF AMERICA OPERATIONS
MISSION TO SAUDI ARABIA,

By _____
Director.

COMMANDING OFFICER OF
United States AIR FORCE NOW
STATIONED AT DHARAHN, SAUDI ARABIA,

_____
Commadning Officer.

1. Taif-Mecca Road ..... $150,000. ? 200,000

(This road has already been surveyed and all documents are in the Gevenco Office)

2. Riyadh-El Karj Road ..... 100,000. 115,000 SR

3. Jidda-Gizan Road ..... 250,000. 200,000 500,000 trade

4. ~~Mecca-Riyadh Road~~ Abha - Taif ..... 300,000. — 200,000

5. Yenbu Road ..... 50,000.

6. Yenbu Harbor ..... 50,000.

7. Gizan Harbor ..... 50,000.

8. Research and Testing Labratory ..... 100,000.

1,050,000

Hejaz RR. 100,000

50,000
40,000
150,000
250,000
490,000

1,215,000
$324,000
$191,000

1. Mecca - Taif 200,000 rials 55 kilos (all)
2. Taif Abha 200,000 " for this year
3. Jeddah Jizan Road 200,000 rials for this year
   an additional 500,000 to start grading
4. Ryad - El Kharj - Dariya 60 miles studies
   115,000 rials (all)

$324,000

3/3/54 gazaled

1) Place of training Siemen - Berlin, Germany

2) Number of trainees

3) Qualification.

4) How soon trainees goes.

~~Vett~~

Telecommunication study; It is better to postpone any such discussions until the tel. Eng. arrives.

4/3/54 F Mahed

Rough estimate of engineering cost:

1.	Hejaz Railroad	$100,000.
2.	Abha Dam	85,000.
3.	Gizan Harbor	50,000.
4.	Yenbu Harbor	50,000.
5.	Road work	350,000.
		$635,000.

1954 SEA

Lab equip.	25,000
Railway survey	75,000
Jedda - Jizan	300,000
El Kargi - Riyadh	50,000
Mecca - Taif	75,000
Taif - Abha	350,000
	875,000
Yenbo Road	75,000
" port survey	50,
	1,000,000

725
100
~~100~~ 5
x 2
850

1.	Taif - Mecca - Road	$150,000
2.	Riyadh - El Kharj "	100,000
3.	Jedda - Ghazi "	250,000
4.	Mecca - Riyadh "	300,000
5	Yenbu Road -	50,000
6	Yenbu Harbor	50,000
7.	Research + Testing Laboratory and Equipment	100,000
		$1,000,000

Hezaz RR	75,000 ✓
Gizan Harbor	50,000 ✓
Yenbu Harbor	50,000 ✓
" Road	50,000 ✓
Riyadh Elhay	75,000
Riyadh - Mecca	300.000
Research Lab.	125,000
	$725,000

Med 150,

Mecca Rd 80,000 alter-250

Jedde-Gizan 350,000

" Medina 100000 }

1. Taif-Mecca Road ..... $150,000.
   (This road has already been surveyed and all documents are in the Govenco Office)
2. Riyadh-El Karj Road ..... 100,000.
3. Jidda-Gizan Road ..... 250,000.
4. Mecca-Riyadh Road ..... 300,000.
5. Yenbu Road ..... 50,000.
6. Yenbu Harbor ..... 50,000.
7. Gizan Harbor ..... 50,000.
8. Research and Testing Labratory ..... 100,000.

100,000
250.
100,000

100.
50,000
100,
250.
300
800

Rough estimate of engineering cost:

1.	Hejaz Railroad	$100,000.
2.	Abha Dam	85,000.
3.	Gizan Harbor	50,000.
4.	Yenbu Harbor	50,000.
5.	Road work	350,000.
		$635,000.

25,000

50,000

Hyz B.B. - 100,000 - 2 ?

ABHA-DAM 85,000 2 -

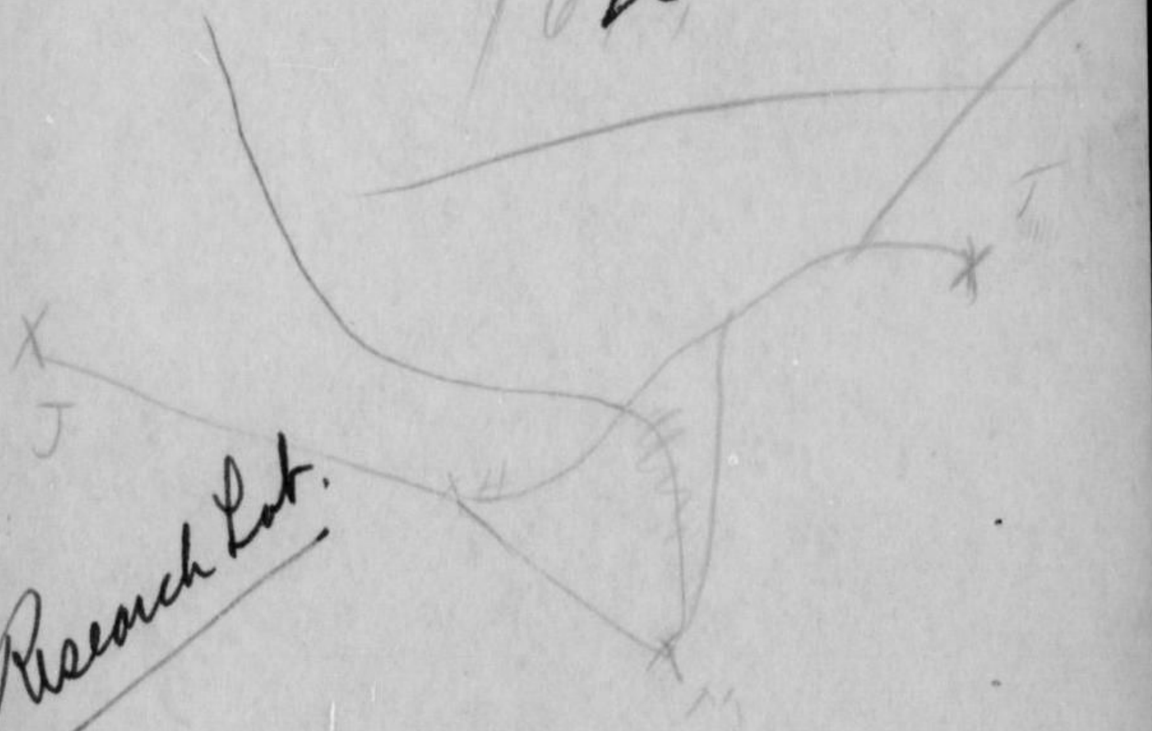
JIZAN PORT 50,000 1 -

YENBO 40,000 1 -

BOAD WORK 350,000 4 4 m

10 m - 14 m

$625,000



Research Lab.

Bldg - 15-20-

Equip. $50000

FENCE AREA	1000' x 1000'		$ 8,000
TEST LAB	800 SQ FT.	$ 15 SQ.FT.	12,000
ENGRS.	1200 SQ FT.	$ 15	18,000
OFFICE	1000 SQ FT.	$ 12	12,000
WHSE	12,000 SQ FT.	$ 6	72,000
SHOPS -	6,000 SQ. FT.	$ 5	30,000
OIL LOADING + FILLING STATION	600 SQ. FT.	$ 10	6,000
SEWAGE			3,000
WATER SUPPLY			4,000
TEST EQUIP -			20,000
			$ 185,000
A.C.			15,000
			$ 200,000

P.W. DEPT.

Building - P[illegible] Dept -
$200000

Tejan - Yenta Hata	60-
	100-
Hezaj	
	350-
Highway	

Power Cable Cost appx. $155/1000 ft.

Fuel tank 550 gals. ?

VOR

3/4 or 1 ton mechanical refrigeration unit to hold ambient temp. below +55°C. also control circuits $450.00

Best estimate on Diesel-gen. 15 KVA English Mfg (Bradford) with automatic start appx. $3500. Suggest you check against your German quotations.

U.S. Diesel-Gen. Westinghouse says, ~~appx~~ best figure from their sources here $1,000/KW. or appx. $12500. for 15 KVA plant.

3.5

Feb. 24, 1954

Mr. Sinclare:

Please advise us whether the commercial power at Jedda has large fluctuations of voltage and frequency, if so, voltage regulation must be provided. This should be part of the installation (electrical) cost.

Stat. type power supply Ka
Transformer.

Bradford-English

$3500.00

600
7,200

(1000 pages tech material)

- Charlie Beal -

Geal Grove

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible] Jidda

27000

10,000
4,500

10,000
7,500
5,000
5 000
7 500
25,000
4 200

64 200
1

Const. of Road $1.95 Cy

5 ft fence with Double gate $500.
(barbed wire)

16' x 28' Bldg Housing range Xmtrs
and Standby Generator

16' x 36' Bldg housing range Xmtrs
and 2 Standby Generators
or rather, primary & Standby.

28'4"

16'0 x ~~20~~ x 14

8 x 16 x 12

17 x 29 x 10

16 x 28 x 10

8000 S/R

5. x 8.5 x 10

42.5

180

7620000

VOR

EANF 1954 BUDGET ESTIMATE
VHF OMNIRANGE ESTABLISHMENT

Construction Coast

SPECIFICATION and/or DRAWING

1. Preparation of Site

a. Clearing and Grubbing	20 acres @ $130.00	$2,600.00	
b. Grading Site and Access Road	800 C.Y. @ 1.00	800,00	
c. Surfacing Material for Parking Area and Access Road	270 C.Y. @ 4.00	1,080.00	
d. Furnish and Erect Board Fence	240 L.F. @ 2.00	480.00	
e. Furnish and Install 14' Wood Gate	1 ea. @ 80.00	80.00	
f. Furnish and Install 12' Steel Gate	1 ea. @ 120.00	120.00	
			$5,160.00

2. Transmitter Building

DR. D-1703-2C

a. Erect 16' x 28' Type "S" Building Complete with Foundations, Counterpoise Roof, Plastic Antenna Shelter, and Painting		7,500.00	
b. Install Complete Electrical System		525.00	
c. Fuel Tank Installation		275.00	
d. Installation of 8 KVA Engine Generator		250.00	
			8,550.00

3. Field Detectors

a. Furnish and Erect Two (2) Field Detector Poles	2 @ $120.00 ea.	240.00	
b. Excavate and Backfill Trench for RF Cables	600 L.F.@ .60	360.00	
c. Laying RF Cables	600 L.F.@ .20	120.00	
			720.00

4. Utilities

a. Furnish and Erect Terminal Pole and fittings	1 @ 180.00	180.00	
b. Excavate and Backfill Trench for Power and Control Cables	250 L.F.@ .60	150.00	
c. Laying Power and Control Cables	500 L.F.@ .20	100.00	
			430.00

5. VHF Link Antenna (in lieu of control cable ins. when landlines not available)

a. Install Pole and Fittings		150.00	
b. Excavate and Backfill Trench for Co-axial Cable	250 L.F.@ .50	125.00	
c. Laying Co-axial Cable	250 L.F.@ .20	50.00	
			$14,860.00

Total of Construction Items 1,2,3, and 4 only (Item 5 will not vary cost appreciably)

Station Working Equipment 140.00

TOTAL, CONSTRUCTION $15,000.00

U. S. OPERATIONS MISSION TO SAUDI ARABIA

October 13, 1953.

MEMORANDUM TO: Mr. Willis B. Hazleton,
Program Officer.

FROM: E. F. Sinclair, Chief, Transportation and Communications Division.

RE: Program Information Incident to Budget Authorization.

For the year 1954 there is under consideration at the present time the installation of the so-called dual Visual Omni Range and associated equipment and control facilities for the purpose of modernizing air transportation in Saudi Arabia, and placing the airports and planes of this country on a highly competitive basis with all other air transportation lines.

This project is designed to provide an advanced type of International Civil Aviation Organization standard, short range, navigation facility. Such a facility will give a greater degree of safety; will provide absolute positioning of planes, and will reduce the influence of "atmospherics" in air navigation. It will also provide a facility for training in installation, operation and maintenance technicians in the use of very high frequency electronic navigation equipment, and will further provide a greater degree of safety in air navigation by aircraft operating in this country.

Air transport is perhaps the most effective means of increasing the economic advantage of a Nation. A facility of this type is required and necessary to anticipate and hande adequately the growth of air transport, and to meet the operational demands of the new and more advanced types of aircraft. The low medium frequency type of navigation facilities used now will not provide the precise navigation requirements of extremely high speed aircraft.

It is estimated that the installation of this equipment will cost in United States dollars approximately $75,000. It is also felt that four or five training awards will be set-up for Saudi Arabian trainees, giving them a one year course in the installation of electronic equipment, as well as in practical and theoretical studies in advanced electronic devices and government administration of civil aviation matters, government economic regulation of civil aviation, general airline operations and associated subjects.

Just recently Prince Tallal was appointed Minister of Transportation and Communications, and in discussing this general subject it was set forth that the Saudi Government contemplates that considerable work will also be done in highway construction, telephone and raio communications, harbor improvements, etc. The question was also discussed of a possibe line of railroad being constructed from Jidda to Yenbu and Medina and from Jidda to Mecca, these lines to be constructed to take care of the pilgrims and the considerable tonnage for points north of Jidda, which is now handelled at Jidda and must be trucked to far distant destinations.

The highway construction and telephone and raido communication work will be on a country wide basis, while the harbor improvements are designed to take care of two points on the Red Sea, namely, Gisen and Yenbu.

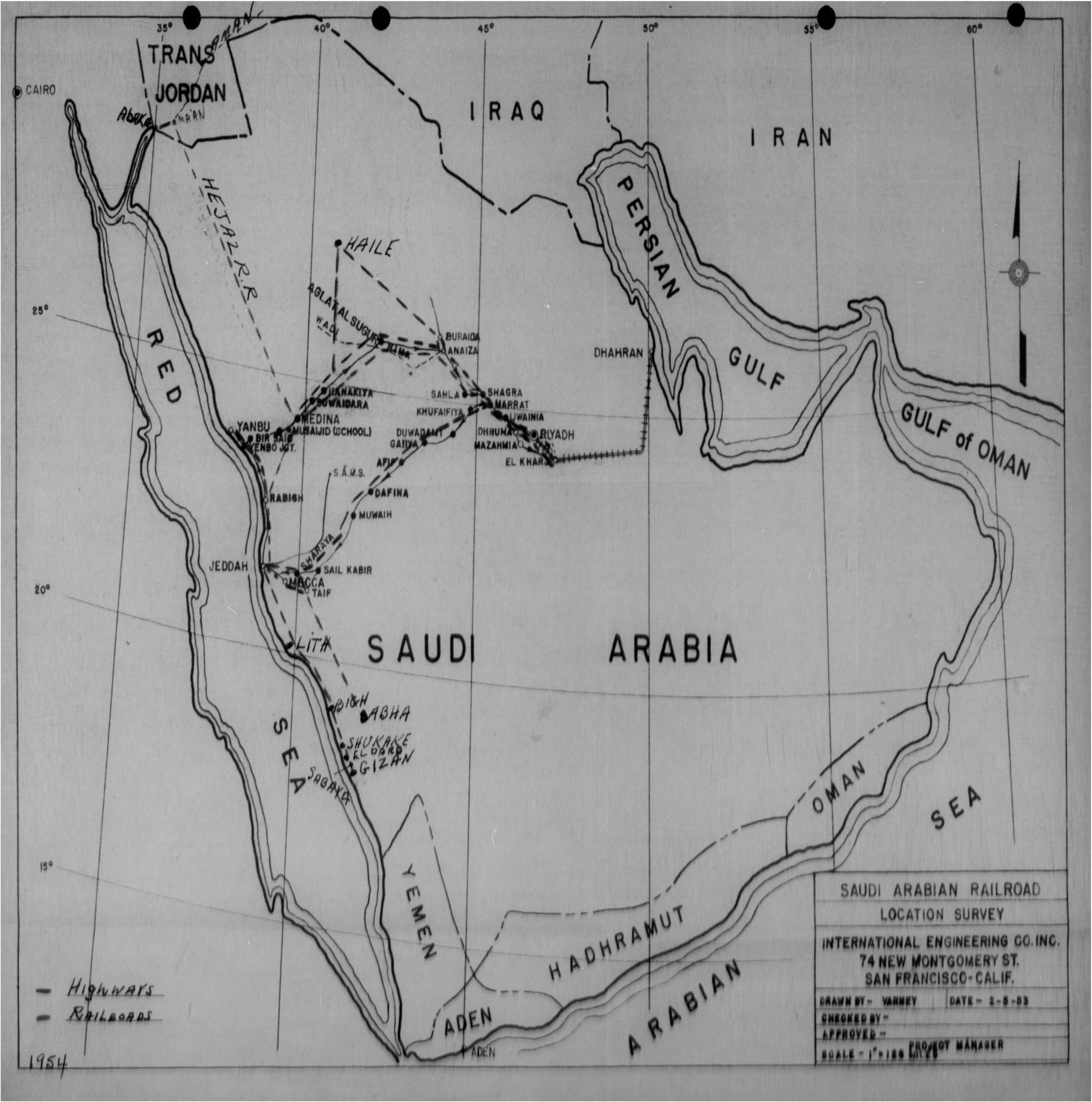
It is also to be understood that this work will be carried on under contract by the Saudi Government, the only contribution by the Mission being the addition of two technicians in this Division.

The highways under first consideration are - Taef to Mecca, Taef to Gisen, El Karj to Riyadh and the completion of the Jidda to Medina road, with a possible extention of this highway into Yenbu.

Telephone and radio communications will include the entire country because at the present time the systems in use are very antiquated.

In view of the fact that Prince Tallal has done considerable travelling in the western world, making two or three trips to the States, he is very keen in visualizing just what improvements are required and necessary in his own country in order to assist in maintaining a better economic structure, and raise the living standard of his people.

The ideas which he has put forth can well be termed a long range program, as there is so much to be done in this country from the standpoint of transportion and communications. I feel quite certain that under Prince Tallal's leadership as Minister of Transportation and Communications this country will be reborn to a new day in these respective fields.


35°
40°
45°
50°
55°
60°
25°
20°
15°
CAIRO
TRANS JORDAN
AMAN
Abaka
MA'AN
IRAQ
IRAN
HEJAZ R.R.
HAILE
AGLAT AL SUGUR
WADI
RIMA
BURAIDA
ANAIZA
DHAHRAN
PERSIAN
GULF
GULF of OMAN
RED
HANAKIYA
SUWAIDARA
MEDINA
YANBU
BIR SAID
YENBO JCT.
MUSAIJID (SCHOOL)
SAHLA
SHAGRA
MARRAT
KHUFAIFIYA
UWAINIA
DUWADAMI
DHRUMA
RIYADH
GAIIYA
MAZAHMIA
EL KHARJ
AFIF
S.A.M.S.
DAFINA
RABIGH
MUWAIH
SHARAYA
JEDDAH
SAIL KABIR
MECCA
TAIF
LITA
SAUDI
ARABIA
BISH
ABHA
SHUKAKE
EL DARB
GIZAN
SEA
SABAKA
OMAN
SEA
YEMEN
HADHRAMUT
ADEN
ADEN
ARABIAN
Highways
Railroads
1954
SAUDI ARABIAN RAILROAD
LOCATION SURVEY
INTERNATIONAL ENGINEERING CO. INC.
74 NEW MONTGOMERY ST.
SAN FRANCISCO - CALIF.
DRAWN BY - VARNEY
DATE - 2-5-53
CHECKED BY -
APPROVED -
PROJECT MANAGER
SCALE - 1" = 126 MILES

SPECIAL ECONOMIC AID

1955

FORM AI - B

PROJECT ESTIMATE

FY

This form to be used for projects where U.S. funds and other funds are commingled

1. Country: Saudi Arabia
2. Project: 5
3. Date: About July 1954

4. Ministry of Communications
5. Engineering Surveys
6. Code: XXXXXXXXXXXX

7. Engineering surveys for highways
8. XXXXXXXXXXXX New Project / Supplement / XXXXXXXX Continuation / Revision

9. Project Description: To plan and survey routes for the following highways in Saudi Arabia: Jidda-Medina; Medina-Hail; Hail-Anaiza; Anaiza-Riyadh; Riyadh-Mecca.

10. Agreements under Which this Project Authorized: Date Agreement Previously Signed, Date Agreement Effective From: Agreement underway
Agreement to Be Signed: Date uncertain
Amount U. S. Commitment: $725,000

11. Programming of Funds — SOURCES OF FUNDS

Unreserved (U.S. Funds) and other balances (Host Gov't) from previous year(s) - Total	U.S. Funds	Host Country Central Gov't	Total	Local & 3rd Prty Contrbs.	Total
A. Local Personnel					
B. Supplies, Equipment					
1. Purchased Locally					
2. Purchased Externally					
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.	725,000	4,000,000			4,725,000
		1,500,000			1,500,000
Current Fiscal Year Funds - Total					
A. Local Personnel					
B. Supplies, Equipment					
1. Purchased Locally					
2. Purchased Externally					
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.	725,000	2,500,000			3,225,000
Contract					
12. Grand Total Costs In Current FY	725,000	4,000,000			4,725,000

SPECIAL ECONOMIC AID

PROJECT ESTIMATE

Form II-B
FY 1955

13. Analysis of Host Country Contbs.

	Central Gov't	Local & 3rd Prty.	Total
Cash	$1,500,000		
Kind	$2,500,000		
Total	$4,000,000		

Indicate Requirements U.S. Funds by Quarters of Fiscal Year

1st Qtr.	$425,000
2nd Qtr.	300,000
3rd Qtr.	
4th Qtr.	
	$725,000

14. Titles U. S. Technicians engaged in supervising or providing technical assistance under this project **Chief of Division, Highway Construction Engineer, Materials Testing Specialist.**

SPECIAL ECONOMIC AID

This form to be used for projects where U. S. funds and other funds are combined

FORM II
Table A-2

LOCAL PERSONNEL - NON-CONTRACT

1. COUNTRY	2. PROJECT NO.	3. DATE	4. FY
Saudi Arabia	5	About July 1954	1955

TITLE OR DESCRIPTION	NO.	GRADE	ANNUAL SALARY	MAN MOS. REQUIRED	TOTAL COST
SAG Funds					
Local Personnel					$1,500,000

SPECIAL ECONOMIC AID

This form to be used for projects where U.S. funds and other funds are commingled.

FORM IV
Table B-2

FY 1955

SUPPLIES, EQUIPMENT & NONCONTRACT

1. COUNTRY	2. PROJECT NO.	3. DATE
Saudi Arabia	5	About July 1954

CATEGORY OR ITEM	UNIT	NO. UNITS	COST PER UNIT	TOTAL COST
SAG Funds				
Supplies and Equipment, Land, Buildings				$2,500,000

SPECIAL ECONOMIC AID

FORM II - Table C-2
FY 1955

SERVICE AND CONSTRUCTION CONTRACTS

This form to be used for projects where U.S. funds and other funds are commingled.

Country	Project Number	Date
Saudi Arabia	5	About July 1954

A. U. S. Contracts

1. Name of Contractor

2. Brief Description of Contract To prepare plans for, and make a survey for highways between Jidda-Medina; Medina-Hail; Hail-Anaiza; Anaiza-Riyadh; Riyadh-Mecca.

3. Total Cost of Contract $ 725,000

4. Cost Component Breakdown

a. U.S. & 3rd Country Personnel

Position Title	Annual Salary	Annual Allowance	Man Mos.	Cost

b. Local Personnel

Title or Description	No.	Annual Salary	Man Months Required	Total Cost

c. Supplies & Equipment

Item	Unit	No. of Units	Cost per Unit	Total Cost

d. Other

B. Local or 3rd Country Contracts

1. Brief Description of Contract

2. Total Cost of Contract $

3. Cost Component Breakdown

a. Supplies and Equipment

Item	Unit	No. of Units	Cost per Unit	Total Cost

b. Local or 3rd Country Personnel

Title or Description	No.	Annual Salary	Man Months Required	Total Cost

c. Other

FORM I

SUMMARY TABLE - U.S. DOLLAR COSTS, U.S. TECHNICIANS, AND FOREIGN TRAINEES BY FIELD OF ACTIVITY

FY 1954

Country Saudi Arabia

Field of Activity Transp. & Communications

A. U.S. TECHNICIANS (Identify contract technicians)

(1) Salaries and Allowances

POSITION TITLE - NAME	Grade	Annual Salary	Annual Allowance *	Cost per Month	Mos. Employed From	Mos. Employed To	Man Mos.	Cost Current FY
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Chief- E.F. Sinclair	SA-2-14	9,470	8,900	1,630				$ 20,000.00
Highway & Constr. Engr.								15,000.00
Electronics Engr.								15,000.00
No. of Technicians		Total Salaries and Allowances						$ 50,000.00

(2) Other U.S. Technician Costs

ITEM	AMOUNT
* Approximation to include international travel, salary differential, post allowance, ~~transportation~~ quarters allowance, separation allowance, etc.	
Total Other U.S. Technician Costs	
Total Cost U.S. Technicians	$ 50,000.00

TABLE II

B. TRAINEES

(1) No. of Trainees	4
(2) U.S. Dollar Costs	
Travel Subsistence Other }	@ $3,750 each
Total Trainee Costs	$ 15,000.00

Form II - A
FY 1954

PROJECT DESCRIPTION

This form is to be used for projects where U.S. funds and other funds not commingled.

1. Country	2. Project No.	3. Date
Saudi Arabia	1	about Nov. 1953

4. Cooperating Agency (ies)	5. Type of Project	6. Code
U. S. Civil Aeronautics Admin.	Aerial navigation equipment	

7. Title	8. New Project	Continuation
Installation of VOR at Jidda	Supplement	Revision
	None	None

9. Description This equipment is standard and being installed at all international airports in order to handle the speedy aircraft now being operated by the various airlines.

10. Agreements Under Which This Project Authorized: Date -
Agreement Previously Signed. Date Agreement Effective From - to -

Agreement to Be Signed Amount U.S. Commitment $75,000.00

11. Programming of Funds

	SOURCES OF FUNDS			
	U.S. Funds	Host Country Central Gov't	Local & 3rd Prty Contrbs.	Total
Unreserved (U.S.Funds) and other balances (Host Gov't) from previous year(s) - Total				
A. Local Personnel				
B. Supplies, Equipment				
1. Purchased Locally				
2. Purchased Externally		None		
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.				
Current Fiscal Year Funds - Total				
A. Local Personnel				
B. Supplies, Equipment				
1. Purchased Locally				
2. Purchased Externally	$50,000.00			$50,000.00
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.	$25,000.00			$25,000.00
12. Grand Total Costs in Current FY 1954	$75,000.00			$75,000.00

13. Analysis of Host Country Contributions

	Central Gov't-	Local & 3rd Prty.	Total
Cash			
Kind	Land, buildings, construction of a roadway near airport, local technicians and laborers. Equivalent in SAR		
Total			

Indicates Requirements U.S. Fund by Quarters of Fiscal Year

1st Qtr.	
2nd Qtr.	
3rd Qtr.	
4th Qtr.	$75,000.00

14. Titles U.S. Technicians engaged in supervising or providing technical assistance under this project Chief, Transportation and Communications

This form to be used for projects where U.S. funds and other funds are not commingled

FORM II
Table B-1

SUPPLIES, EQUIPMENT - NON-CONTRACT

FY 1954

1. COUNTRY	2. PROJECT NO.	3. DATE
Saudi Arabia	1	Nov. 1953

CATEGORY OR ITEM	UNIT	NO. UNITS	COST PER UNIT	TOTAL COST
				$75,000.00

The above amount is to be used in installing Visual Omni Range equipment at Jidda Airport.

It might be noted here that in connection with the Gizan road improvement--Rural Community Project--there has been purchased highway equipment totaling approximately $88,000.00.

AGREEMENT FOR A COOPERATIVE TECHNICAL AND INDUSTRIAL TRAINING PROJECT FOR THE SAUDI GOVERNMENT RAILROAD, TRANSPORTATION AND COMMUNICATIONS SYSTEM

BETWEEN

THE GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA

AND

THE GOVERNMENT OF THE UNITED STATES OF AMERICA

The Government of the Kingdom of Saudi Arabia and the Government of the United States of America have agreed as follows:

ARTICLE I. THE OPERATING AGENCIES

Pursuant to the General Agreement for Technical Cooperation signed on behalf of the two governments in Jidda on January 17, 1951, and all subsequent agreements for technical cooperation programs between the Governments of the Kingdom of Saudi Arabia and the United States of America, this Agreement for a Cooperative Technical and Industrial Training Project for the Saudi Government Railroad, Transportation and Communications System is entered into between the Government of the Kingdom of Saudi Arabia, represented by the Minister of Communications, and the Government of the United States of America, represented by the Director of the United States of American Operations Mission to Saudi Arabia.

ARTICLE II. AREA OF ACTIVITY (WORK TO BE ACCOMPLISHED)

To meet the urgent need for skilled workers in the operation of the Saudi Government Railroad, Transportation and Communications System, this project is to provide for the rapid development of instructional materials of all kinds needed in such a training program, the development of instructional aids and facilities, the construction, equipping and operation of training shops, areas and medias for training railway and communications clerks, station managers, telegraphers, telephone repairmen, radio operators, electric and acetylene welders, automotive mechanics, gasoline and diesel engine mechanics, printers, air conditioning mechanics, sheet metal workers, refrigeration mechanics and technicians, bookkeepers, draftsmen and other skilled technicians and tradesmen, providing, however, that the order of cooperative effort between the cooperative parties to this agreement shall be attempted in accordance with the following schedule:

1. The development of instructional materials and instructional aids and facilities.

2. Construction of housing facilities for the training of printers, clerks, bookkeepers, draftsmen, telegraphers, telephone and radio technicians and related subjects.

3. Securing and installing equipment and furniture necessary to activate these housing facilities and the employment or training of instructional

personnel to carry forward the training program envisioned through this project agreement.

ARTICLE III. THE COOPERATIVE SERVICE

The Minister of Communications (hereinafter referred to as the "Minister") will establish, upon the execution of this agreement, with the Ministry of Communications (hereinafter referred to as the "Ministry") an agency to be known as the "Arabian-American Industrial Education Cooperative Service" (hereinafter referred to as the "Service"), which shall be responsible, under the supervision of the Minister, for administering this cooperative training project in accordance with the provisions of this agreement. The Minister and the Director of the United States of America Operations Mission to Saudi Arabia (hereinafter referred to as the "Director USAOM") shall serve as Co-Directors of the Service, providing, however, that they may designate at once or later at their respective pleasure and discretion one person each to serve in their stead as Co-Directors of the Service. Members of the Technical Mission of the United States of America Operations Mission to Saudi Arabia (hereinafter referred to as "USAOM") may become officers or employees of the Service under such arrangements or contracts as may be agreed upon by the Co-Directors.

Any power conferred by this Agreement upon the Co-Directors may be delegated by either of them to any of his assistants, provided each such delegation is satisfactory to the other. Such delegation shall not limit the right of either of the Co-Directors to refer any matter directly to one another for discussion and decision.

ARTICLE IV. PLAN OF ACTION

1. Upon the proper official signatures to this Agreement, the Minister shall appoint an administrator of the Service, whose salary and expenses may or may not be paid from the Service funds in an amount and in accordance with policies and regulations governing such fiscal procedures as may be mutually agreed upon by the Co-Directors.

2. The administrator will, in addition to performing such duties as may be assigned to him from time to time by the Co-Directors, administer the work and affairs of this project in strict conformity with the provisions and spirit of this project and close collaboration with the Co-Directors and the technical consultants and advisers that may be assigned to the conduct of the work of this project from time to time while the project remains in official operating status.

3. The Director of USAOM shall designate a member of the Technical Mission of the USAOM to serve as Technical Counselor and Adviser to the Administrator. This designee of the Director USAOM may be appointed, at the discretion of the Minister, as the Administrator of this project.

4. Upon the execution of this agreement, the Co-Directors shall establish

policies, rules and regulations by which the conditions of this agreement will be followed to the accomplishment of the cooperative objective herein defined.

5. The Co-Directors, in addition to all other policies, rules and regulations herein provided or later to be promulgated, shall determine and prescribe administrative procedures, particularly as they relate to disbursement and accounting for funds, the incurrence of obligations of the Service, the purchase, use inventory, control and disposition of property, the selection, appointment and discharge of officers and other personnel of the Service, and the terms and conditions of their employment.

6. The Service will be responsible for the collection of operational funds, student tuitions, fees and charges of all kinds, private contributions, USAOM contributions and contributions of SAG. It may hold and sell real and physical property in the name of the Service, contract for services, the use or construction and alterations of buildings, purchase material, supplies and equipment for the purpose of accomplishing the purposes of this project agreement and perform such other functions as may be considered expedient for the proper operation of the cooperative training project.

7. The Service will prepare annual budgets for the operation of the training program and will keep accurate records of all financial and official transactions, submitting to the Co-Directors monthly financial statements as well as any other such statements as may be prescribed from time to time by the Co-Directors. Among other things, these budgets may specify the funds to be used for renovation or construction of buildings, maintenance and operation of the training plant, employment of personnel and purchase of required supplies and equipment.

8. The Service will establish or carry out rules and regulations governing administration of the training program, student entrance requirements and curricula. It shall also determine the physical plant necessary for operation of the training program and the instructional materials necessary for the courses and advise the Co-Directors of these requirements.

9. The Co-Directors will fully collaborate and cooperate in the conduct of all the Service operations and in the execution of the undertakings of this project agreement during the period that this project agreement remains in effect.

10. USAOM will render technical consultation and advice to the Service on all matters regarding the establishment and operation of the training project, and furnish plans and specifications for the letting of contracts for the erection of new buildings, architectural supervision and managerial advice.

11. USAOM shall provide such United States technical, administrative, supervisory, teacher and specialist personnel as shall be mutually agreed upon from time to time.

12. After the entry into force of this Agreement, the Ministry will grant to the Service appropriate land suitable for the construction of buildings and plants to accommodate the training project. Upon the completion of the plans, the Service will by contract or other accepted means construct the buildings and plants upon these lands. The Ministry will provide all utilities necessary for the proper operation of the training project and plant.

13. All contracts and other instruments and documents relating to the execution of this project under this Agreement shall be executed in the name of the Service and shall be signed by the two Co-Directors. The books and records of the Service relating to this cooperative project shall be open at all times for examination by authorized representatives of the Government of the Kingdom of Saudi Arabia and the Government of the United States of America. The Co-Directors shall render an annual report of the activities of the Service to the two Governments, and other reports at such intervals as may be appropriate, or as may elsewhere be prescribed in this project agreement.

ARTICLE V. JOINT CONTRIBUTIONS

The parties hereto shall contribute and make available, to the extent provided below, funds for use in carrying out the cooperative project during the period beginning with the signing of this agreement through June 30, 1954.

1. The Government of the United States of America, during such period shall make available funds necessary to pay the salaries and other expenses of American technical and specialist personnel that will be provided in accordance with this Agreement, as well as such other expenses of an administrative nature as the Government of the United States may incur in connection with this cooperative project. These funds shall be administered by USAOM and shall not be deposited to the credit of the Service.

2. In addition, for this period the Government of the United States of America shall contribute $75,000 in cash to the Service for materials, supplies and contractual or personal or instructional services required in furtherance of this Project. The Co-Directors may hereafter agree that subsequent contributions may be withheld in part or entirely in the United States of America to be expended outside of Saudi Arabia in United States dollars, and such amounts so expended and/or such unexpended balances shall be deposited in cash to the credit of the Service account and the sum of the expended and unexpended balances shall be considered to be contributed at the time of such expenditure or deposit to the further conduct of this cooperative service project agreement.

3. The Government of Saudi Arabia for this period shall contribute to the Service the sum of SR 530,000 for materials, supplies and contractual or personal or instructional services required in furtherance of this Project. In addition, the Government of the Kingdom of Saudi Arabia will provide quarters and utilities

for the cooperative training project until additional buildings are completed.

4. The Co-Directors may later agree in writing upon the amount of additional funds each Government will contribute from time to time for use in carrying out this project agreement while it remains in force. The provisions of this Article V shall be applicable to such subsequent contributions.

5. The funds contributed pursuant to paragraphs 2, 3, and 4 of this Article V shall be available for the procurement of supplies, materials and equipment, for obtaining additional technicians and other personnel services by employment or contract, and for any other needs of the project.

6. The moneys deposited to the credit of the Service may be maintained in such commercial bank or banks as the Co-Directors shall agree upon, and shall be available only for the purposes of this Agreement. No moneys shall be withdrawn from funds of the Service for any purpose except by issuance of a check or other suitable withdrawal document signed by both Co-Directors of the Service. The Co-Directors shall include in the deposit agreement to be made with any commercial bank a provision that such bank shall be obligated to repay to the Service any moneys which it shall pay out from the funds of the Service on the basis of any document other than a check or other withdrawal document that has been signed by the two Co-Directors.

ARTICLE VI. ADDITIONAL CONTRIBUTIONS

By agreement between the Co-Directors, contributions of funds, property, services or facilities by either or both parties, or by any other government agencies or third parties, may be accepted and/or deposited to the credit of the Service for use in effectuating this cooperative training project, in addition to the funds, property, services and facilities required to be contributed under Article V.

ARTICLE VII. ADDITIONAL FISCAL PROVISIONS

1. All funds deposited to the credit of the Service pursuant to this Agreement shall continue to be available for the Arabian-American Industrial Education Cooperative Service Project during the existence of this Agreement, without regard to annual periods or fiscal years of either of the parties.

2. Title to all materials, equipment and supplies acquired for the Service with funds contributed to the Service shall, unless otherwise agreed by the Co-Directors, pass to the Service at the time such title is relinquished by the Seller. Property acquired by the Service shall be used only in the furtherance of this Agreement and any such property remaining at the termination of this project shall be at the disposition of the Government of Saudi Arabia.

3. Income from operations of the Service, interest received on funds of the Service, and any other increment of assets of the Service, of whatever nature or

source, shall be devoted to the carrying out of the cooperative project and shall not be credited against any contribution due from either party.

4. Any funds of the Service which remain unexpended and unobligated on the termination of this cooperative project shall, unless otherwise agreed upon in writing by the parties hereto at that time, be returned to the parties hereto in the proportion of the respective contributions made on behalf of the two Governments under this Agreement, as it may be from time to time amended and extended.

5. The Minister agrees to extend to the Service, and to all personnel employed by the Service, all rights and privileges which are enjoyed by other agencies of the Ministry or by their personnel.

6. All personnel of the Government of the United States of America, whether employed directly by it or under contract with a public or private organization, who may be in Saudi Arabia to perform work for this cooperative project and whose entrance into the country has been approved by the Government of the Kingdom of Saudi Arabia shall be exempt from income and social security taxes levied under the laws of Saudi Arabia with respect to income upon which they are obligated to pay income or social security taxes to the Government of the United States of America, from property taxes on personal property intended for their own use, and from the payment of any tariff or duty upon personal or household goods brought into the country for the personal use of themselves and members of their families.

7. Supplies, equipment and materials contributed to the Project by the Government of the United States of America, or purchased through U. S. funds or funds contributed to the Service in accordance with the terms of this project agreement, either directly or by contract with a public or private organization, shall be admitted into Saudi Arabia free of any customs and import duties.

ARTICLE VIII. ANTI-ATTACHMENT

The two Governments will establish procedures whereby the Kingdom of Saudi Arabia will so deposit, segregate or secure title to all funds allocated to or derived from any program involving contributions by the Government of the United States of America, or from any other source, that they shall not be subject to garnishment, attachment, seizure, or other legal process by any person, firm, agency, corporation, organization, or Government, when the Kingdom of Saudi Arabia is advised by the Government of the United States of America that such legal process would interfere with the attainment of the objectives of the project.

ARTICLE IX. EXECUTIVE ACTION

The Minister will by legal and/or other appropriate measures as may be required by the Government of the Kingdom of Saudi Arabia secure such authorizations

or executive action as may be necessary to the execution and carrying out of the full and complete terms of the project agreement.

The project agreement may by mutual consent and written agreement between the Co-Directors be extended under the general provisions as herein set forth to a general cooperative service program agreement to include and provide for the conduct of other cooperative service projects in Saudi Arabia, providing such action may come within the proper and legal requirements of the Government of the Kingdom of Saudi Arabia and providing further that such an extension will not in any way interfere with the operation and conduct of this agreement as herein established.

ARTICLE X. ENTRY INTO FORCE AND DURATION

This Agreement shall be referred to as the "Arabian-American Industrial Education Cooperative Service Agreement". It shall enter into force on the date that it is signed and shall remain in force through December 31, 1960, or until three months after either party shall have given notice in writing to the other of intention to terminate it, whichever is the earlier; provided, however, that the obligations of the parties under this Agreement for the period from July 1, 1954, through December 31, 1960, shall be subject to the availability of funds to both parties for the purposes of the program and to the further agreement of the parties pursuant to Article V, paragraph 4, hereof.

DONE in duplicate, in English and Arabic languages, at Jidda, Saudi Arabia, this _____ day of _____, 1953.

Director
United States of America Operations
Mission to Saudi Arabia

Minister of Communications
Kingdom of Saudi Arabia

Appropriation Symbol: 72-112/31019
Allotment A/C Symbol: 3AG-34701

UNLIQUIDATED BALANCES OF OBLIGATION (TCA)

		7/31/53
	Brought forward	536,272.28
252	Local Salaries	581.72
253	Reserve for Seperation Allowances	2,187.06
254	Rural Commonity Dev. projects	420,559.01
255	Quarantine Station Project	50,000.00
TCA/W523	John Bade	2,838.49
TCA/W592	Arther Young	3,437.13
TCA/W10011	Transportation Charges	5.66
TCA/W11011	R470-900-7 Camera,Film,Books,Publication	2.76
		1015,884.11

Appropriation Symbol: 72-112/31029
Allotment A/C Symbol: 3AG-34701

UNLIQUIDATED BALANCES OF OBLIGATION (TCA)

		7/31/53
	Brought forward	536,272.28
252	Local Salaries	581.72
253	Reserve for Seperation Allowances	2,187.06
254	Rural Commonity Dev. projects	420,559.01
255	Quarantine Station Project	50,000.00
CA/W523	John Bede	2,838.49
CA/W592	Arther Young	3,437.13
A/W10011	Transportation Charges	5.66
A/W11011	R470-900-7 Camera,Film,Books,Publication	2.76
		1015,884.11

(in Thousands of Dollars)

——— Post Estimates

- - - - Washington Estimates

	U.S. TECHNICIANS				TRAINING AWARDS				LOCAL EMPLOYEES				SUPPLIES, EQUIPMENT & OTHER COSTS		TOTAL		AUTHORIZED FY 1953 ESTIMATES
	Number		Cost		Number		Cost		Number		Cost						
ICULTURE	9	9	139	173	0	8	0	33	4	0	12	0	135	0	286	206	113
LTH AND SANITATION	7	7	128	146	0	8	0	33	4	0	12	0	135	0	275	170	70
CATION	3	3	50	60	33	8	135	33	4	0	13	0	125	0	323	93	67
URAL RESOURCES	5	5	119	83	0	3	0	12	3	0	8	0	280	0	407	95	107
NSPORTATION AND COMMUNICATION	2	2	43	39	0	3	0	12	1	0	3	0	110	0	156	51	424
LIC ADMINISTRATION	5	5	105	89	0	3	0	12	1	0	4	0	10	0	119	101	103
ERAL PROJECTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	500
GRAM DIRECTION	13	13	136	226	0	0	0	0	16	0	26	0	335	49	497	275	168
	44	44	720	816	33	33	135	135	33	0	78	0	1.130	49	2.063	1.000	1.552

Form II B
FY 1955

PROJECT DESCRIPTION

This form is to be used for projects where U.S. funds and other funds are commingled

1. Country: Saudi Arabia
2. Project No.: 1
3. Date: About July 1954

4. Cooperating Agency(ies): Ministry of Transportation and Communications
5. Type of Project: Highway Construction
6. Code:

7. Title: Construction of Mecca-Taif Road
8. New Project ~~Continuation~~ ~~Supplement~~ ~~Revision~~

9. Description: To plan and survey a route for the highway from Mecca to Taif.

10. Agreements Under Which This Project Authorized: Date Revised agreement underway
Agreement Previously Signed. Date Agreement Effective From _____ to _____

Agreement To Be Signed
Date uncertain

Amount U.S. Commitment $80,000

11. Programming of Funds

SOURCES OF FUNDS

	U.S. Funds	Host Country Central Gov't	Local & 3rd Prty Contrbs.	Total
Unreserved (U.S. Funds) and other balance (Host Gov't) from previous year(s) - Total				
A. Local Personnel				
B. Supplies, Equipment				
1. Purchased Locally				
2. Purchased Externally				
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.				
Current Fiscal Year Funds- Total	$80,000			$80,000
A. Local Personnel	30,000			30,000
B. Supplies, Equipment				
1. Purchased Locally				
2. Purchased Externally				
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.				
Contract for survey work	50,000			50,000
12. Grand Total Costs in Current FY	$80,000			$80,000

SEA

13. Analysis of Host Country Contbs.

	Central Govt	Local & 3rd Prty.	Total
Cash			
Kind			
Total			

Indicate Requirements U. S. Funds by Quarters of Fiscal Year

1st Qtr.	60,000
2nd Qtr.	
3rd Qtr.	
4th Qtr.	

14. Titles U. S. Technicians engaged in supervising or providing technical assistance under this project Highway Construction Engineer

Chief of Division

This form, to be used for projects where U.S. funds and other funds are commingled.

FORM II
Table B-2

FY 1955

SUPPLIES, EQUIPMENT - NON-CONTRACT

1. COUNTRY	2. PROJECT NO.	3. DATE
Saudi Arabia	2	July 1954

CATEGORY OR ITEM	UOI	NO. UNITS	COST PER UNIT	TOTAL COST
To be furnished under contract				

FORM II - Table C-2

FY 1955

SERVICE AND CONSTRUCTION CONTRACTS

This form to be used for projects where U.S. funds and other funds are commingled.

Country: Saudi Arabia

Project Number: 1

Date: About July 1954

A. U. S. Contracts

1. Name of Contractor

2. Brief Description of Contract: To prepare plans for construction of surfaced road between Mecca and Taif.

3. Total Cost of Contract: $ 50,000

4. Cost Component Breakdown

a. U.S. & 3rd Country Personnel

Position Title	Annual Salary	Annual Allowance	Man Mos.	Cost

b. Local Personnel

Title or Description	No.	Annual Salary	Man Months Required	Total Cost

c. Supplies & Equipment

Item	Unit	No. of Units	Cost per Unit	Total Cost

d. Other

B. Local or 3rd Country Contracts

1. Brief Description of Contract

2. Total Cost of Contract: $

3. Cost Component Breakdown

a. Supplies and Equipment

Item	Unit	No. of Units	Cost per Unit	Total Cost

b. Local or 3rd Country Personnel

Title or Description	No.	Annual Salary	Man Months Required	Total Cost

c. Other

Form II - A
FY 1955

PROJECT DESCRIPTION

This form is to be used for projects where U.S. funds and other funds are commingled

1. Country: Saudi Arabia
2. Project No.: 3
3. Date: About July 1954

4. Cooperating Agency(ies): Ministry of Transportation and Communications
5. Type of Project: Highway Survey
6. Code:

7. Title: Highway Survey Riyadh-El Kharj
8. New Project / Supplement / Continuation / Revision

9. Description: To plan and survey a route for a highway from Riyadh to El Kharj.

10. Agreements Under Which This Project Authorized: Date Revised agreement underway
Agreement Previously Signed. Date Agreement Effective From _____ to _____

Agreement To Be Signed: Date uncertain

Amount U.S. Commitment: $80,000

11. Programming of Funds

SOURCES OF FUNDS

	U.S. Funds	Host Country Central Gov't	Local & 3rd Prty Contrbs.	Total
Unreserved (U.S. Funds) and other balances (Host Gov't) from previous year(s) - Total				
A. Local Personnel				
B. Supplies, Equipment				
1. Purchased Locally				
2. Purchased Externally				
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.				
	$80,000			$80,000
Current Fiscal Year Funds- Total	30,000			30,000
A. Local Personnel				
B. Supplies, Equipment				
1. Purchased Locally				
2. Purchased Externally				
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.				
Contract for survey work	50,000			50,000
12. Grand Total Costs in Current FY	$80,000			$80,000

See

13. Analysis of Host Country Contbs.

	Central Gov't	Local & 3rd Prty.	Total
Cash			
Kind			
Total			

Indicate Requirements U. S. Funds by Quarters of Fiscal Year

1st Qtr.	
2nd Qtr.	
3rd Qtr.	$60,000
4th Qtr.	

14. Titles U. S. Technicians engaged in supervising or providing technical assistance under this project

Chief of Division
Highway Engineer

This form is to be used for projects where U. S. funds and other funds are combined

FORM II
Table A-2

LOCAL PERSONNEL - NON-CONTRACT

1. COUNTRY	2. PROJECT NO.	3. DATE	4. FY
Saudi Arabia	3	About July 1954	1955

TITLE OR DESCRIPTION	NO.	GRADE	ANNUAL SALARY	MAN MOS. REQUIRED	TOTAL COST
Road machine operators	5		$6,000		$30,000

This form is to be used for projects where U.S. funds and other funds are commingled

FORM II
Table B-2

FY 1955

SUPPLIES, EQUIPMENT - NON CONTRACT

1. COUNTRY	2. PROJECT NO.	3. DATE
Saudi Arabia	3	About July 1954

CATEGORY OR ITEM	UNIT	NO. UNITS	COST PER UNIT	TOTAL COST
To be furnished under contract				

FORM II - Table C-2
FY 1955

SERVICE AND CONSTRUCTION CONTRACTS

This form to be used for projects where U.S. funds and other funds are commingled.

Country	Project Number	Date
Saudi Arabia	3	About July 1954

A. U. S. Contracts

1. Name of Contractor

2. Brief Description of Contract: To prepare plans for and survey route for highway between Riyadh and El Kharj.

3. Total Cost of Contract: $ 50,000

4. Cost Component Breakdown

a. U.S. & 3rd Country Personnel

Position Title	Annual Salary	Annual Allowance	Man Mos.	Cost

b. Local Personnel

Title or Description	No.	Annual Salary	Man Months Required	Total Cost

c. Supplies & Equipment

Item	Unit	No. of Units	Cost per Unit	Total Cost

d. Other

B. Local or 3rd Country Contracts

1. Brief Description of Contract

2. Total Cost of Contract $

3. Cost Component Breakdown

a. Supplies and Equipment

Item	Unit	No. of Units	Cost per Unit	Total Cost

b. Local or 3rd Country Personnel

Title or Description	No.	Annual Salary	Man Months Required	Total Cost

c. Other

Form II - B
FY 1955

PROJECT DESCRIPTION

This form is to be used for projects where U.S. funds and other funds are commingled

1. Country: Saudi Arabia
2. Project No.: 4
3. Date: About July 1954

4. Cooperating Agency(ies): Ministry of Transportation and Communications
5. Type of Project: Highway Survey
6. Code:

7. Title: Survey of Highway Jidda-Mecca
8. New Project: ~~Continuing~~ ~~Continuing~~
~~Continuing~~ ~~Continuing~~

9. Description: To plan and survey a route for a highway between Jidda and Mecca

10. Agreements Under Which This Project Authorized: Date Revised agreement underway
Agreement Previously Signed. Date Agreement Effective From _____ 20

Agreement To Be Signed Date uncertain

Amount U.S. Commitment $350,000

11. Programming of Funds

SOURCES OF FUNDS

	U.S. Funds	Host Country Central Gov't	Local & 3rd Prty Contrbs.	Total
Unreserved (U.S. Funds) and other balances (Host Gov't) from previous year(s) - Total				
A. Local Personnel				
B. Supplies, Equipment				
1. Purchased Locally				
2. Purchased Externally				
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.				
	$350,000			$350,000
Current Fiscal Year Funds - Total				
A. Local Personnel				
B. Supplies, Equipment				
1. Purchased Locally				
2. Purchased Externally				
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.				
Contract for survey work	$350,000			$350,000
	$350,000			$350,000

12. Grand Total Costs in Current FY 1955

SEA

13. Analysis of Host Country Contbs.

	Central Gov't	Local & 3rd Prty.	Total
Cash			
Kind			
Total			

Indicate Requirements U. S. Funds by Quarters of Fiscal Year

1st Qtr. $350,000
2nd Qtr.
3rd Qtr.
4th Qtr.

14. Titles U. S. Technicians engaged in supervising or providing technical assistance under this project Chief of Division
Highway Construction Engineer

FORM [illegible] - Table C-2
FY_____

SERVICE AND CONSTRUCTION CONTRACTS

This form to be used for projects where U.S. funds and other funds are commingled.

Country	Project Number	Date
Saudi Arabia	4	About July 1954

A. U. S. Contracts

1. Name of Contractor

To plan and survey a route for a highway

2. Brief Description of Contract

between Jidda and Medina.

3. Total Cost of Contract $ 350,000

4. Cost Component Breakdown

a. U.S. & 3rd Country Personnel

Position Title	Annual Salary	Annual Allowance	Man Mos.	Cost

b. Local Personnel

Title or Description	No.	Annual Salary	Man Months Required	Total Cost

c. Supplies & Equipment

Item	Unit	No. of Units	Cost per Unit	Total Cost

d. Other

B. Local or 3rd Country Contracts

1. Brief Description of Contract

2. Total Cost of Contract $_____

3. Cost Component Breakdown

a. Supplies and Equipment

Item	Unit	No. of Units	Cost per Unit	Total Cost

b. Local or 3rd Country Personnel

Title or Description	No.	Annual Salary	Man Months Required	Total Cost

c. Other

Form II - B
FY 1955

PROJECT DESCRIPTION

This form is to be used for projects where U.S. funds and other funds are commingled

1. Country: Saudi Arabia
2. Project No.: 5
3. Date: About July 1954

4. Cooperating Agency(ies): Ministry of Transportation and Communications
5. Type of Project: Highway survey
6. Code:

7. Title: Survey of Highway route Jidda-Medina
8. New Project: ~~Supplement~~ ~~Continuation~~ ~~Revision~~

9. Description: To plan and survey a route for a highway between Jidda and Medina.

10. Agreements Under Which This Project Authorized: Date Revised agreement underway
Agreement Previously Signed. Date Agreement Effective From _____ to _____

Agreement To Be Signed
Date uncertain

Amount U.S. Commitment $100,000

11. Programming of Funds

SOURCES OF FUNDS

	U.S. Funds	Host Country Central Gov't	Local & 3rd Prty Contrbs.	Total
Unreserved (U.S. Funds) and other balances (Host Gov't) from previous year(s) - Total				
A. Local Personnel				
B. Supplies, Equipment				
1. Purchased Locally				
2. Purchased Externally				
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.				
Current Fiscal Year Funds - Total	$100,000			$100,000
A. Local Personnel				
B. Supplies, Equipment				
1. Purchased Locally				
2. Purchased Externally				
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.				
Contract for survey work	$100,000			$100,000
12. Grand Total Costs in Current FY 1955	$100,000			$100,000

13. Analysis of Host Country Contbs.

	Central Gov't	Local & 3rd Prty.	Total
Cash			
Kind			
Total			

Indicate Requirements U. S. Funds by Quarters of Fiscal Year

1st Qtr. $100,000
2nd Qtr.
3rd Qtr.
4th Qtr.

14. Titles U. S. Technicians engaged in supervising or providing technical assistance under this project Chief of Division

Highway Construction Engineer

This form to be used for projects where U.S. funds and other funds are commingled

FORM II
Table B-2

FY 1955

SUPPLIES, EQUIPMENT - NON CONTRACT

1. COUNTRY	2. PROJECT NO.	3. DATE
Saudi Arabia	5	About July 1954

CATEGORY OR ITEM	UNIT	NO. UNITS	COST PER UNIT	TOTAL COST
Supplies and equipment supplied under contract.				

FORM II - Table C-2

FY 1955

SERVICE AND CONSTRUCTION CONTRACTS

This form to be used for projects where U.S. funds and other funds are commingled.

Country	Project Number	Date
Saudi Arabia	5	About July 1954

A. U. S. Contracts

1. Name of Contractor

2. Brief Description of Contract: To plan and survey a route for a highway between Jidda and Medina.

3. Total Cost of Contract $ 100,000

4. Cost Component Breakdown

a. U.S. & 3rd Country Personnel

Position Title	Annual Salary	Annual Allowance	Man Mos.	Cost

b. Local Personnel

Title or Description	No.	Annual Salary	Man Months Required	Total Cost

c. Supplies & Equipment

Item	Unit	No. of Units	Cost per Unit	Total Cost

d. Other

B. Local or 3rd Country Contracts

1. Brief Description of Contract

2. Total Cost of Contract $

3. Cost Component Breakdown

a. Supplies and Equipment

Item	Unit	No. of Units	Cost per Unit	Total Cost

b. Local or 3rd Country Personnel

Title or Description	No.	Annual Salary	Man Months Required	Total Cost

c. Other

B

Form II - A
FY 1955

PROJECT DESCRIPTION

This form is to be used for projects where U.S. funds and other funds are not commingled

1. Country: Saudi Arabia
2. Project No.: 6
3. Date: About July 1954

4. Cooperating Agency(ies): Ministry of Transportation and Communications
5. Type of Project: Highway Survey
6. Code:

7. Title: Survey Yenbo highway route
8. New Project / ~~Continuation~~ / Supplement / ~~Continuation~~ / Revision

9. Description

To plan and survey route for the Yenbo highway.

10. Agreements Under Which This Project Authorized: Date Revised agreement underway
Agreement Previously Signed. Date Agreement Effective From to

Agreement To Be Signed
Date uncertain

Amount U.S. Commitment $60,000

11. Programming of Funds

SOURCES OF FUNDS

	U.S. Funds	Host Country Central Gov't	Local & 3rd Prty Contrbs.	Total
Unreserved (U.S. Funds) and other balances (Host Gov't) from previous year(s) - Total				
A. Local Personnel				
B. Supplies, Equipment				
1. Purchased Locally				
2. Purchased Externally				
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.				
	$60,000			$60,000
Current Fiscal Year Funds - Total				
A. Local Personnel				
B. Supplies, Equipment				
1. Purchased Locally				
2. Purchased Externally				
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.				
Contract for survey work	$60,000			$60,000
	$60,000			$60,000

12. Grand Total Costs in Current FY 1955

SGA

13. Analysis of Host Country Contbs.

	Central Gov't	Local & 3rd Prty.	Total
Cash			
Kind			
Total			

Indicate Requirements U. S. Funds by Quarters of Fiscal Year

1st Qtr.	$80,000
2nd Qtr.	
3rd Qtr.	
4th Qtr.	

14. Titles U. S. Technicians engaged in supervising or providing technical assistance under this project Chief, Division Highway Construction Engineer

This form to be used for projects where U.S. funds and other funds are commingled

FORM II
Table B-2

FY 1955

SUPPLIES, EQUIPMENT - NON CONTRACT

1. COUNTRY	2. PROJECT NO.	3. DATE
Saudi Arabia	6	About July 1954

CATEGORY OR ITEM	UNIT	NO. UNITS	COST PER UNIT	TOTAL COST

Supplies and equipment provided under contract

FORM II - Table G-2

SERVICES AND CONSTRUCTION CONTRACTS FY 1955

This form to be used for projects where U.S. funds and other funds are commingled.

Country	Project Number	Date
Saudi Arabia	6	About July 1954

A. U. S. Contracts

1. Name of Contractor

2. Brief Description of Contract: To plan and survey route for the Yanbo Highway

3. Total Cost of Contract $ 80,000

4. Cost Component Breakdown

a. U.S. & 3rd Country Personnel

Position Title	Annual Salary	Annual Allowance	Man Mos.	Cost

b. Local Personnel

Title or Description	No.	Annual Salary	Man Months Required	Total Cost

c. Supplies & Equipment

Item	Unit	No. of Units	Cost per Unit	Total Cost

d. Other

B. Local or 3rd Country Contracts

1. Brief Description of Contract

2. Total Cost of Contract $

3. Cost Component Breakdown

a. Supplies and Equipment

Item	Unit	No. of Units	Cost per Unit	Total Cost

b. Local or 3rd Country Personnel

Title or Description	No.	Annual Salary	Man Months Required	Total Cost

c. Other

Form II - B
FY 1955

PROJECT DESCRIPTION

This form is to be used for projects where U.S. funds and other funds are commingled

1. Country: Saudi Arabia
2. Project No.: 7
3. Date: About July 1954

4. Cooperating Agency(ies): Ministry of Transportation and Communications
5. Type of Project: Port Survey
6. Code:

7. Title: Survey of Port of Yenbo
8. New Project ~~Supplement~~ ~~Continuation~~ ~~Revision~~

9. Description: To plan and make a survey of necessary port improvements, Yenbo.

10. Agreements Under Which This Project Authorized: Date Revised agreement underway
Agreement Previously Signed. Date Agreement Effective From _____ to _____
Agreement To Be Signed
Date uncertain
Amount U.S. Commitment $80,000

11. Programming of Funds

SOURCES OF FUNDS

	U.S. Funds	Host Country Central Gov't	Local & 3rd Prty Contrbs.	Total
Unreserved (U.S. Funds) and other balances (Host Gov'ts) from previous year(s) - Total				
A. Local Personnel				
B. Supplies, Equipment				
1. Purchased Locally				
2. Purchased Externally				
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.				
	$80,000			$80,000
Current Fiscal Year Funds - Total				
A. Local Personnel				
B. Supplies, Equipment				
1. Purchased Locally				
2. Purchased Externally				
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.				
Contract for survey work	80,000			80,000
	$80,000			$80,000

12. Grand Total Costs in Current FY 1955

13. Analysis of Host Country Contbs.

	Central Irr't	Local & 3rd Prty.	Total
Cash			
Kind			
Total			

Indicate Requirements U. S. Funds by Quarters of Fiscal Year

1st Qtr.	$80,000
2nd Qtr.	
3rd Qtr.	
4th Qtr.	

14. Titles U. S. Technicians engaged in supervising or providing technical assistance under this project Chief, Division

Highway Construction Engineer

This form is to be used for projects where U.S. funds and other funds are shared.

FORM II
Table B-2

FY 1955

SUPPLIES, EQUIPMENT - NON-CONTRACT

1. COUNTRY	2. PROJECT NO.	3. DATE
Saudi Arabia	7	About July 1954

CATEGORY	UNIT	NO. UNITS	COST PER UNIT	TOTAL COST

Supplies and Equipment items supplied by contractor.

FORM II - Table C-2

FY 1955

SERVICE AND CONSTRUCTION CONTRACTS

This form to be used for projects where U.S. funds and other funds are commingled.

Country	Project Number	Date
Saudi Arabia	7	About July 1954

A. U. S. Contracts

1. Name of Contractor

2. Brief Description of Contract: To plan for and make a survey of necessary port facilities in harbor of Yanbo.

3. Total Cost of Contract: $ 80,000

4. Cost Component Breakdown

a. U.S. & 3rd Country Personnel

Position Title	Annual Salary	Annual Allowance	Man Mths.	Cost

b. Local Personnel

Title or Description	No.	Annual Salary	Man Months Required	Total Cost

c. Supplies & Equipment

Item	Unit	No. of Units	Cost per Unit	Total Cost

d. Other

B. Local or 3rd Country Contracts

1. Brief Description of Contract

2. Total Cost of Contract $

3. Cost Component Breakdown

a. Supplies and Equipment

Item	Unit	No. of Units	Cost per Unit	Total Cost

b. Local or 3rd Country Personnel

Title or Description	No.	Annual Salary	Man Months Required	Total Cost

c. Other

Form II - B
FY 1955

PROJECT DESCRIPTION

This form is to be used for projects where U.S. funds and other funds are commingled

1. Country: Saudi Arabia
2. Project No.: 8
3. Date: About July 1954

4. Cooperating Agency(ies): Ministry of Transportation and Communications
5. Type of Project: Materials testing laboratory
6. Code:

7. Title: Highway materials testing laboratory
8. New Project / Supplementary / Continuation / Revision

9. Description

To establish a modern highway materials testing laboratory for research in road-materials.

10. Agreements Under Which This Project Authorized: Date Revised agreement underway
Agreement Previously Signed. Date Agreement Effective From _____ to _____

Agreement To Be Signed: Date uncertain

Amount U.S. Commitment: $60,000

11. Programming of Funds

SOURCES OF FUNDS

	U.S. Funds	Host Country Central Gov't	Local & 3rd Prty Contrbs.	Total
Unreserved (U.S. Funds) and other balances (Host Gov't) from previous year(s) - Total				
A. Local Personnel				
B. Supplies, Equipment				
1. Purchased Locally				
2. Purchased Externally				
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.				
	$60,000	$220,000		$280,000
Current Fiscal Year Funds - Total				
A. Local Personnel				
B. Supplies, Equipment				
1. Purchased Locally	60,000			60,000
2. Purchased Externally				
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.		$220,000		$220,000
	$60,000	$220,000		$280,000

12. Grand Total Costs in Current FY 1955

SEA

13. Analysis of Host Country Contbs.

	Central Govt	Local & 3rd Prty.	Total
Cash			
Kind	$220,000 -Building, utilities, maintenance cost, etc.		
Total	$220,000		

Indicate Requirements U. S. Funds by Quarters of Fiscal Year

1st Qtr.	$60,000
2nd Qtr.	
3rd Qtr.	
4th Qtr.	

14. Titles U. S. Technicians engaged in supervising or providing technical assistance under this project Chief of Division

Materials Testing Specialist.

This form to be used for projects where U.S. funds and other funds are contemplated

FORM II
Table B-2

FY 1955

SUPPLIES, EQUIPMENT - NON CONTRACT

1. COUNTRY	2. PROJECT NO.	3. DATE
Saudi Arabia	8	About July 1954

CATEGORY OR ITEM	UNIT	NO. UNITS	COST PER UNIT	TOTAL COST
Laboratory supplies and equipment				$60,000

E Bunker

SUMMARY TABLE - U.S. DOLLAR COSTS, U.S. TECHNICIANS, AND FOREIGN TRAINEES
BY FIELD OF ACTIVITY

FY 1955

Country Saudi Arabia

Field of Activity Trans. & Com.

A. U.S. TECHNICIANS (Identify contract technicians)

(1) Salaries and Allowances

POSITION TITLE - NAME	Grade Point 4	Annual Salary	Annual Allowance	Cost per Month	Dos. Employed From	To	Man Mos.	Cost Current FY
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Chief FSO	3-2	$9,470	$9,868	$1,612	7/1	6/30	12	$19,338
Highway Constr. Engr. (5)	4-6	8,463	9,616	1,507	7/1	6/30	60	90,395
Pub. Wks. Adm. Spec.	4-6	8,463	9,616	1,507	7/1	6/30	12	18,079
Motor Testing Spec.	4-6	8,463	9,616	1,507	7/1	6/30	12	18,079
Secretary (1/3 of cost)	3-1	3,927	9,616	1,507	7/1	6/30	4	4,512

No. of Technicians 6 1/3 Total Salaries and Allowances $150,403

(2) Other U.S. Technician Costs

ITEM		AMOUNT
	International travel and transportation of personal effects.	$16,597
Total Other U.S. Technician Costs		$16,597
Total Cost U.S. Technicians		$167,000

B. TRAINEES TABLE II

(1) No. of Trainees 3

(2) U.S. Dollar Costs

Travel	Average cost $4,000 each	$12,000
Subsistence		
Other		
Total Trainee Costs		$12,000

Form II - b
FY 1955

PROJECT DESCRIPTION

This form is to be used for projects where U.S. funds and other funds are commingled

1. Country: Saudi Arabia
2. Project No.: 2
3. Date: About July 1954

4. Cooperating Agency(ies): Ministry of Transportation and Communications
5. Type of Project: Transportation
6. Code: [redacted]

7. Title: Demonstration City Pavement Construction - Jidda
8. New Project: [redacted] Supplement [redacted] Revision

9. Description: Demonstration of city pavement construction; streets, sidewalks (providing for sewage , power lines and other public utilities).

10. Agreements Under Which This Project Authorized: Date Revised agreement underway
Agreement Previously Signed. Date Agreement Effective From _____ to _____

Agreement To Be Signed
Date uncertain

Amount U.S. Commitment $75,000

11. Programming of Funds

SOURCES OF FUNDS

	U.S. Funds	Host Country Central Gov't	Local & 3rd Prty Contrbs.	Total
Unreserved (U.S.Funds) and other balances (Host Gov'ts) from previous year(s) - Total				
A. Local Personnel				
B. Supplies, Equipment				
1. Purchased Locally				
2. Purchased Externally				
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.				
Current Fiscal Year Funds- Total	$75,000	$500,000		$575,000
A. Local Personnel	48,000	175,000		223,000
B. Supplies, Equipment				
1. Purchased Locally	2,000	300,000		302,000
2. Purchased Externally	20,000	25,000		45,000
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.				
Current field costs	5,000			$5,000
	$75,000	$500,000		$575,000

12. Grand Total Costs in Current FY 1955

13. Analysis of Host Country Contbs.

	Central Govt.	Local & 3rd Prty.	Total
Cash	$175,000 (labor)		
Kind	$325,000 (materials and supplies)		
Total	$500,000		

Indicate Requirements U. S. Funds by Quarters of Fiscal Year

1st Qtr.	$30,000
2nd Qtr.	20,000
3rd Qtr.	20,000
4th Qtr.	5,000
Total	$ 75,000

14. Titles U. S. Technicians engaged in supervising or providing technical assistance under this project Public Works Administration Specialist

Chief of Division

Highway Construction Engineer.

This form to be used for projects where U. S. funds and other funds are commingled

FORM II
Table A-2

LOCAL PERSONNEL - NON-CONTRACT

1. COUNTRY: Saudi Arabia

2. PROJECT NO.: 2

3. DATE: About July 1954

4. FY: 1955

TITLE OR DESCRIPTION	NO.	GRADE	ANNUAL SALARY	MAN NOS. REQUIRED	TOTAL COST
Operators	8		$6,000		$48,000

This form to be used for projects where U.S. funds and other funds are commingled

FORM II
Table B-2

SUPPLIES, EQUIPMENT - NON CONTRACT

1955

1. COUNTRY	2. PROJECT NO.	3. DATE
Saudi Arabia	2	About July 1954

CATEGORY OR ITEM	UNIT	NO. UNITS	COST PER UNIT	TOTAL COST
Scientific instruments				$12,000
Vehicles, spare parts, special equipment				10,000
			Total	$22,000
Transportation costs				$ 5,000

SPECIAL ECONOMIC AID AGREEMENT FOR A
COOPERATIVE HIGHWAY SURVEY PROJECT
BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA

The Government of the United States of America and the Government of the Kingdom of Saudi Arabia have agreed as follows:

ARTICLE I
GENERAL CONDITIONS

Pursuant to the General Agreement for Special Economic Aid signed on behalf of the two Governments at Jidda on _____, a cooperative highway survey project, subject to the terms and conditions of the said General Agreement, shall be initiated in Saudi Arabia. The obligations assumed herein by the Government of the United States of America will be performed by it through the United States of America Operations Mission to Saudi Arabia, an Agency of the Government of the United States of America; represented in Saudi Arabia by the Director of the United States Operations Mission to Saudi Arabia (hereinafter referred to as the "Director"). The obligations assumed herein by the Government of the Kingdom of Saudi Arabia will be performed by it through its Ministry of Communications, represented by the Minister of Communications (hereinafter referred to as the "Minister"). Any right, privilege, power or duty conferred by this Agreement upon either the Director or the Minister may be delegated by either of them to any of his respective assistants, provided that each such delegation shall be acceptable to the other. Such delegation shall not limit the right of the Director and the Minister to refer any matter directly to one another for discussion or decision.

ARTICLE II
PURPOSE OF PROJECT

The purpose of this cooperative project is to stimulate and increase the interchange of technical knowledge and skill between the two countries and to facilitate the economic development of Saudi Arabia through the preparation of a survey and/or surveys of proposed highways between the following points in Saudi Arabia:

(Insert here the highway routes to be surveyed)

The survey and/or surveys shall be of the character and completeness required to permit the Government of the Kingdom of Saudi Arabia to commence construction themselves on the highways, or to let contracts for such construction work. The highways to be surveyed shall be between the places set forth above and/or between such other places as the Government of the Kingdom of Saudi Arabia may designate by preference. However the total contribution of the Government of the United States of America for highway surveys shall not exceed the amount as indicated in Article III, paragraph 1, of this Agreement. The survey and/or surveys shall be prepared under the supervision of the Director, with the concurrence of the Minister, and upon completion the report of the survey and/or surveys shall be delivered by the Director to the Minister.

ARTICLE III
CONTRIBUTIONS

The two Governments shall make the following contributions to this cooperative highway survey project:

1. The Government of the United States of America, through a private contractor acceptable to the Government of the Kingdom of Saudi Arabia, and such subcontractors as it may employ (hereinafter referred to as the "Contractor"), shall furnish technicians and technical equipment required for the making of the survey and/or surveys, and shall pay the costs thereof in an amount not to _____ Dollars, and, in addition, shall pay such other expenses of an administrative nature as it may incur in connection with this project.

2. The Government of the Kingdom of Saudi Arabia shall make available an amount not to exceed _____ Saudi Riyals, (which is the Riyal equivalent of approximately _____ Dollars in such manner and in such installments as the Director and/or Contractor may request to cover the costs of food for the Contractor's technicians, petroleum

fuel and lubricants, wages of Saudi Arabian personnel, and certain other expenses as it may incur in connection with this project.

3. In addition, the Government of the Kingdom of Saudi Arabia shall furnish adequate and suitable housing in Jidda for the principal Contractor's Project Manager and his family and for ____ technicians in Jidda as required; canteen privileges and access to laundry facilities for Contractor's personnel in Jidda; also access to shop facilities for the repair of Contractor's equipment; suitable office space in Jidda; aircraft and crews as required for preliminary air reconnaissance of proposed highway routes; access to and prints of any existing available aerial photographs of the proposed highway routes; and police protection for the Contractor's personnel and equipment when and if required in any area of Saudi Arabia.

4. The Government of the Kingdom of Saudi Arabia further agrees to hold the Contractor harmless from civil suits brought against the Contractor by third parties for injury or property damage arising out of the carrying out of this project in Saudi Arabia, to grant to the Contractor's personnel and accompanying members of their families, engaged on this project, the exemptions from taxes and duties provided in Article IV of the General Agreement for Technical Cooperation dated January 17, 1951; to grant with respect to funds, material, and equipment introduced into Saudi Arabia by the Contractor for use on this project the exemptions provided in Article III, section 2, of said General Agreement, and to grant to the Contractor exemption from all corporate and business taxes applied solely by reason of the Contractor's activities in connection with this project.

ARTICLE IV
EFFECTIVE DATE AND TERMINATION

This Cooperative Highway Survey Project Agreement shall become effective on the date of signing, and shall remain in force for a period of , or until three months after either Government shall have given notice in writing to the other to terminate it, whichever is earlier.

This Agreement is prepared in triplicate in the English and Arabic languages and signed at Jidda on this _____ day of _____, 1954.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA,

_____
Director,
UNITED STATES OF AMERICA OPERATIONS
MISSION TO SAUDI ARABIA.

FOR THE KINGDOM OF
SAUDI ARABIA,

_____
Minister of Communications.

Duplicate

1

AGREEMENT FOR THE TECHNICAL COOPERATION PROGRAM IN TRANSPORTATION AND COMMUNICATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA

ARTICLE I

Reference is made to Article I, Section 1, of the Point Four General Agreement for Technical Cooperation signed by the representatives of the Governments of the Kingdom of Saudi Arabia and of the United States of America at Jidda, January 17, 1951, which provides that subsidiary understandings may be agreed upon by duly designated representatives of the Kingdom of Saudi Arabia and of the Technical Cooperation Administration, Department of State of the United States.

ARTICLE II

In accordance with a request for technical assistance in various fields of transportation and communication as presented by the Government of Saudi Arabia in Notes Nos. 4111 and 4112 of March 16, 1952, the two Governments agree to initiate a cooperative program having as its principle objective to assist in the improvement of the well-being of the people of Saudi Arabia through the acceleration of the program for extending and expanding present transportation and communication facilities, including appropriate activities in the development of public roads, railroad, telephone, telegraph and radio communications.

ARTICLE III

As a means of fulfilling this program, the Technical Cooperation Administration shall provide, within the limits of available funds, for the following:

A. Personnel

Chief, Transportation and Communication Field Group; such other experts in the field of Transportation and Communication as may be needed as agreed upon by the respective Governments.

The Experts shall be selected and appointed by the Government of the United States of America but shall be acceptable to the Government of Saudi Arabia. They will work with the appropriate Departments of the Government of Saudi Arabia. The Government of the United States of America will pay the salaries and allowances of these persons, cost of their travel and transportation of their personal effects to Saudi Arabia and return, in accordance with the laws and regulations of the United States of America, and unless otherwise specified in Project Agreements, the cost of suitable housing in Saudi Arabia. In addition, the Government of the United States of America will furnish the necessary vehicles for surface transportation of their personnel within Saudi Arabia.

B. Training

Trainees nominated by the Saudi Arabian Government acceptable to the Technical Cooperation Administration will, to an extent later to be agreed upon, be given specialized training in the United States of America. The Government of the United States of America is to pay for tuition, subsistence, and travel of trainees during their stay in the United States of America.

C. Equipment

Equipment and materials necessary to the effectiveness of the experts' work but not obtainable in Saudi Arabia will be supplied by the United States Government to an extent subsequently to be agreed upon.

ARTICLE IV

The Government of Saudi Arabia will contribute a fair share of the cost of this program to be mutually agreed to in subsequent Project Agreements entered into between the Government of the United States of America and the Government of Saudi Arabia.

ARTICLE V

It is understood that the implementation of the program shall be governed by the terms of the above mentioned General Agreement for Technical Cooperation.

This understanding is to be effective for a period of three years from the date of signature or until one month after either Government shall have given notice in writing to the other of the intention to terminate said understanding, whichever is earlier.

This understanding is prepared in duplicate and signed at the Ministry of Finance on 22 Safor, 1372(10th November,1952)

/s/
Raymond A. Hare
American Ambassador to the
Kingdom of Saudi Arabia

/s/
Shaikh Abdullah Sulleiman
Minister of Finance
Kingdom of Saudi Arabia

/s/
Samuel S. Stratton
U. S. Director of Technical
Cooperation in Saudi Arabia

3

AGREEMENT FOR A COOPERATIVE RAILWAY SURVEY PROJECT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE KINGDOM OF SAUDI ARABIA

The Government of the United States of America and the Government of Saudi Arabia have agreed as follows:

ARTICLE I

Pursuant to the General Agreement for Technical Cooperation signed on behalf of the two Governments at Jidda on January 17, 1951, and at the request of the Government of Saudi Arabia in Notes No. 4111 and No. 4112 of March 16, 1952, and pursuant to the Transportation and Communication Program Agreement between the Governments of the United States of America and the Kingdom of Saudi Arabia, a cooperative railway survey project, subject to the terms and conditions of the said General Agreement, shall be initiated in Saudi Arabia. The obligations assumed herein by the Government of Saudi Arabia will be performed by it through the Ministry of Finance of Saudi Arabia, represented by the Minister of Finance (hereinafter referred to as the "Minister"). The obligations assumed herein by the Government of the United States of America will be performed by it through the Technical Cooperation Administration of the Department of State, an agency of the Government of the United States of America, represented in Saudi Arabia by the United States Director of Technical Cooperation (hereinafter referred to as the "Director"). Any right, privilege, power, or duty conferred by this Agreement upon either the Minister or the Director may be delegated by either of them to any of his

respective assistants, provided that each such delegation be acceptable to the other. Such delegation shall not limit the right of the Minister and the Director to refer any matter directly to one another for discussion and decision.

ARTICLE II

The purpose of this cooperative project is to stimulate and increase the interchange of technical knowledge and skill between the two countries and to facilitate the economic development of Saudi Arabia through the preparation of a survey of a railroad route between Riyadh and Jidda of the character and completeness required to permit the Government of Saudi Arabia to let contracts for the final engineering design and construction of the railroad and a final location survey, with detailed design, of 50 miles of such route. The route to be surveyed shall be established by agreement between the Director and the Minister on the basis of a preliminary survey and recommendation by the Contractor referred to in Article III. The railway survey shall be prepared under the supervision of the Director, with the concurrence of the Minister, and on completion the report of the survey shall be delivered by the Director to the Government of Saudi Arabia.

ARTICLE III

The two Governments shall make the following contributions to the cooperative project:

1. The Government of the United States of America, through a private contractor acceptable to the Government of the Saudi Arabia and such subcontractors as it may employ (all hereinafter referred to as "Contractors"), shall furnish technicians and technical equipment required for the making of the survey and shall pay the dollar costs thereof in an amount not to exceed $330,000, and, in addition, shall pay such other expenses of an administrative nature as it may incur in connection with this project.

2. The Government of Saudi Arabia shall make available in Rials the sum of_____(the Rial equivalent of $27,000), in such manner and in such installments as the Director may request, to cover the Rial costs of food for contractor's technicians, petroleum fuel and lubricants, wages of Saudi Arabian personnel, and certain other Rial expenses of carrying out the railroad survey project.

3. In addition, the Government of Saudi Arabia shall furnish adequate and suitable housing in Jidda for the principal Contractor's Project Manager and his family and for ten technicians in Jidda or Riyadh as required; canteen privileges

and access to laundry facilities for Contractors' personnel in Jidda and Riyadh; access to shop facilities for the repair of Contractors' equipment; suitable office space in Jidda; aircraft and crews as required for preliminary air reconnaissance of proposed railroad routes; access to and prints of any existing available aerial photographs of the proposed railroad right-of-way; and police protection for Contractors' personnel and equipment when and if required in any area in Saudi Arabia.

4. The Government of Saudi Arabia further agrees to hold the Contractors harmless from civil suits brought against the Contractors by third parties for injury or property damage arising out of the carrying out of this project in Saudi Arabia, to grant to personnel of the Contractors, other than Saudi Arabian personnel, and accompanying members of their families, engaged on this project the exemptions from taxes and duties provided in Article IV of the General Agreement for Technical Cooperation, to grant with respect to funds, material, and equipment introduced into Saudi Arabia by the Contractors for use on this project the exemptions provided in Article III, section 2, of the said General Agreement, and to grant to the Contractors exemption from all corporate and business taxes applied solely by reason of the Contractors' activities in connection with this project.

ARTICLE IV

This Cooperative Railway Survey Project Agreement shall become effective on the date of signing and shall remain in force for a period of one year or until three months after either Government shall have given notice in writing to the other of intention to terminate it, whichever is earlier.

This understanding is prepared in duplicate and signed at the Ministry of Finance on 22 Safor, 1372, (10th November, 1952)

/s/
Raymond A. Hare
American Ambassador to the
Kingdom of Saudi Arabia

/s/
Sheikh Abdullah Sulleiman
Minister of Finance
Kingdom of Saudi Arabia

/s/
Samuel S. Stratton
U. S. Director of Technical
Cooperation in Saudi Arabia

MEMORANDUM

In connection with the Agreement covering Highway Surveys, the Government of the Kingdom of Saudi Arabia shall furnish the Contractor performing the surveys the following:

a. A sum in Saudi Arabian Riyals equivalent to _____ Dollars, out of which the Contractor shall pay the Riyal cost of food for its personnel, petroleum fuel and lubricants, local Saudi Arabian labor, and miscellaneous Riyal expenses.

b. Adequate housing for the Contractor's project manager and family in Jidda, and for ____ single men in Jidda as the Contractor shall require.

c. Canteen privileges and use of laundry facilities for personnel in Jidda, and the use of shop facilities for the repair of equipment.

d. Suitable office space for the Contractor's headquarters for this project in Jidda.

e. Police protection when and if required by the Contractor in any area in Saudi Arabia.

f. Aircraft and crews and all expenses for preliminary air reconnaissance of proposed highway routes, as required by the Contractor.

g. Access to and prints of any existing available aerial photographs of the proposed highways.

h. An agreement to hold the Contractor harmless from civil suits brought against the Contractor by third parties for injury or property damage arising out of the carrying out of the highway survey project.

i. The same treatment with respect to taxes, customs and import duties, service charges, investment or deposit requirements and currency controls for personnel of the Contractor, other than Saudi Arabian personnel, engaged in performing services under the highway survey Agreement, and for funds, materials, and equipment introduced into Saudi Arabia by the Contractor and used in performing such services as is provided for personnel and funds, materials, and equipment of the Government of the United States of America under Articles III and IV of the General Agreement for Technical Cooperation between the United States of America and Saudi Arabia signed at Jidda on January 17, 1951.

j. The exemption of the Contractor from all Saudi Arabian corporate and business taxes applied to it solely by reason of its activities under the highway survey Agreement.

MEMORANDUM

In connection with the Agreement covering Highway Surveys, the Contractor shall perform the following services with the degree of accuracy necessary for the letting of construction contracts and the securing of financing for the subsequent highway construction:

a. Select and locate with adequate markings, spaced at proper intervals, the most advantageous routes for the respective highways from both an economic and engineering standpoint acceptable to the Government of the Kingdom of Saudi Arabia and the United States of America Operations Mission to Saudi Arabia, and prepare the necessary maps and profiles showing the grades, curves, fills, etc.

b. Furnish specifications, including quantities, qualities and type, of the road construction materials, and grading and fill required.

c. Make definitions, including type and location on the maps and profiles, and a cost estimate, of drainage structures, sufficiently complete to enable the subsequent contractor to proceed with detailed field investigation and to prepare final detailed designs.

d. Make definitions, including types and location on the maps and profiles, and a cost estimate, of service structures, including bridges, culverts, etc., sufficiently complate to enable the subsequent contractor to proceed with detailed investigation, such as drilling for bridge and culvert foundations, and to prepare final detailed designs.

e. Make an estimate of the quantity and quality and the location of materials available and suitable for the construction of the highways, and of the cost of construction, including the estimated cost of highway material.

f. Provide such other survey services as may be deemed advisable or necessary by both the Minister and the Director.

PROPOSED HIGHWAY ROUTES:

Mecca - Taif
Riyadh - El Karj
Riyadh - Duraya
Jidda - Qizan
Abha - Taif

Proposed Annual Plan of Work for FY-1955
Transportation and Communications Division
Saudi Arabia

During the FY-1955 period the activities of this Division will be centered on assisting the new Ministry of Communications in the planning and development of a countrywide network of roads. There are, however, several projects which that Ministry has requested under Technical Assistance.

Project #1 - Demonstration City Pavement Construction

We have been requested to demonstrate to the officials of the Saudi Government the methods we use in the construction of streets, sidewalks, etc. providing for sewage, power lines and other public utilities. We have, therefore, included in our budget, funds necessary to carry out such demonstrations. In view of the lack of such facilities in this country as that of proper streets, curbing, sidewalks, etc., we feel that the impact that such demonstrations will have on the Saudi Government will more than compensate our efforts in their behalf.

Project #2 - Communications Survey

The above Ministry is interested in having a complete survey made of the requirements of both the present and the immediate future in the field of telephone and radio communications and has requested that we give assistance in this direction. This project covers such a survey.

Project #3 - Dammam Industrial Training School

This project is a continuation of the same project started under FY-54 budget. The expansion of this institution in order to provide adequate training for personnel of the Transportation and Communications Ministry, especially that of the Saudi Arabian Government Railroad, is most essential.

FORM I

SUMMARY TABLE - U.S. DOLLAR COSTS, U.S. TECHNICIANS, AND FOREIGN TRAINEES
BY FIELD OF ACTIVITY
FY 1955

Country Saudi Arabia
Field of Activity Trans. & Com.

A. U.S. TECHNICIANS (Identify contract technicians)

(1) Salaries and Allowances

POSITION TITLE - NAME	Grade	Annual Salary	Annual Allowance	Cost per Month	Man-Mos. Employed From	To	Man Mos.	Cost Current FY
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Chief PSD Point 4	2-2	$9,470	$9,868	$1,612	7/1	6/30	12	$19,338
Highway Constr. Engr. (5)	4-6	8,463	9,616	1,507	7/1	6/30	60	90,395
Pub. Wks. Adm. Spec.	4-6	8,463	9,616	1,507	7/1	6/30	12	18,079
Water Testing Spec.	4-6	8,463	9,616	1,507	7/1	6/30	12	18,079
Secretary (1/3 of cost)	8-1	3,927	9,616	1,507	7/1	6/30	4	4,512
Comm. Engineer	4-6	8,463	9,616	1,507	7/1	6/30	12	18,079

No. of Technicians 9-1/3 Total Salaries and Allowances $168,482

(2) Other U.S. Technician Costs

ITEM	AMOUNT
International travel and transportation of personal effects	$16,597

Total Other U.S. Technician Costs $16,597

Total Cost U.S. Technicians $185,079

B. TRAINEES 3 TABLE II

(1) No. of Trainees

(2) U.S. Dollar Costs

Travel	Average cost $4,000 each	$12,000
Subsistence		
Other		

Total Trainee Costs $12,000

FORM II - B

PROJECT ESTIMATE

FY 1955

This form to be used for projects where U.S. funds and other funds are commingled.

1. Country	2. Project	3. Date
Saudi Arabia	1	About July 1954

4. Cooperating Agency (ies)	5. Type of Project	6. Code
Ministry of Transportation and Communications	Transportation	

7. Title	8. New Project / Supplement	Continuation / Revision
Demonstration City Pavement Construction - Jidda		

9. Description Demonstration of city pavement construction; streets, sidewalks (providing for sewage, power lines and other public utilities).

10. Agreements under Which this Project Authorized: Date Revised agreement underway
Agreement Previously Signed. Date Agreement Effective From _____ to _____

Agreement to Be Signed Date uncertain Amount U. S. Commitment $75,000

11. Programming of Funds

	SOURCES OF FUNDS				
	U.S. Funds	Host Country Central Gov't	Total	Local & 3rd Pty Contrbs.	Total
Unreserved (U.S. Funds) and other balances (Host Gov't) from previous year(s) - Total					
A. Local Personnel					
B. Supplies, Equipment					
1. Purchased Locally					
2. Purchased Externally					
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.					
Current Fiscal Year Funds - Total	$75,000	$500,000			$575,000
A. Local Personnel	48,000	175,000			223,000
B. Supplies, Equipment					
1. Purchased Locally	2,000	300,000			302,000
2. Purchased Externally	20,000	25,000			45,000
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.					
Current field costs	5,000				5,000

12. Grand Total Costs in Current FY

1955	$75,000	$500,000		$575,000

13. Analysis of Host Country Contbs.

	Central Gov't	Local & 3rd Prty.	Total
Cash	$175,000 (labor)		
Kind	$325,000 (materials and supplies)		
Total	$500,000		

Indicate Requirements U.S. Funds by Quarters of Fiscal Year

1st Qtr.	$30,000
2nd Qtr.	20,000
3rd Qtr.	20,000
4th Qtr.	5,000
Total	$75,000

14. Titles U. S. Technicians engaged in supervising or providing technical assistance under this project Public Works Administration Specialist

Chief of Division

Highway Construction Engineer

This form to be used for projects where U.S. funds and other funds are commingled

FORM II
Table A-2

LOCAL PERSONNEL - NON-CONTRACT

1. COUNTRY 2. PROJECT NO. 3. DATE 4. FY

Saudi Arabia 1 About July 1954 1955

TITLE OR DESCRIPTION	NO.	GRADE	ANNUAL SALARY	MAN MON. REQUIRED	TOTAL COST
Operators	8		$6,000		$48,000

This form to be used for projects where U.S. funds and other funds are commingled

FORM II
Table B-2

FY 1955

SUPPLIES, EQUIPMENT - NON-CONTRACT

1. COUNTRY	2. PROJECT NO.	3. DATE
Saudi Arabia	1	About July 1954

CATEGORY OR ITEM	UNIT	NO. UNITS	COST PER UNIT	TOTAL COST
Scientific Instruments				$12,000
Vehicles, Spare Parts, Special Equipment				10,000
			Total	$22,000
Transportation costs				$ 5,000

FORM II - B
FY 1955

PROJECT ESTIMATE

This form to be used for projects where U.S. funds and other funds are not commingled.

1. Country: Saudi Arabia
2. Project: 2
3. Date: Oct. 1954

4. Cooperating Agency (ies): Ministry of Communications
5. Type of Project: Communications
6. Code:

7. Title: Survey of communication needs, both telephone and radio telephone

8. New Project / Supplement / Continuation / Revision

9. Description: Survey of communications needs for telephone and radio telephone throughout Saudi Arabia.

10. Agreements under Which this Project Authorized: Date Revised agreement underway
Agreement Previously Signed. Date Agreement Effective From _____ to _____

Agreement to Be Signed Date uncertain Amount U. S. Commitment $18,000

11. Programming of Funds — SOURCES OF FUNDS

Unreserved (U.S. Funds) and other balances (Host Gov't) from previous year(s) - Total	U.S. Funds	Host Country Central Gov't	Total	local & 3rd Pty Contrbs.	Total
A. Local Personnel					
B. Supplies, Equipment					
1. Purchased Locally					
2. Purchased Externally					
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.					
Current Fiscal Year Funds - Total	18,000	27,000			45,000
A. Local Personnel		27,000			27,000
B. Supplies, Equipment					
1. Purchased Locally					
2. Purchased Externally	13,000				13,000
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.					
Current field costs	5,000				5,000

12. Grand Total Costs in Current FY

	18,000	27,000			45,000

13. Analysis of Host Country Contbs.

	Central Gov't	Local & 3rd Prty.	Total
Cash	$27,000 (Labor)		
Kind			
Total	$27,000		

Indicate Requirements U.S. Funds by Quarters of Fiscal Year

1st Qtr.	-
2nd Qtr.	18,000
3rd Qtr.	-
4th Qtr.	-
	18,000

14. Titles U. S. Technicians engaged in supervising or providing technical assistance under this project Communications Engineer
Chief of Division

This form to be used for projects where U.S. funds and other funds are commingled

FORM II
Table A-2

LOCAL PERSONNEL - NON-CONTRACT

1. COUNTRY	2. PROJECT NO.	3. DATE	4. FY 1955
Saudi Arabia	2	Oct. 1954	

TITLE OR DESCRIPTION	NO.	GRADE	ANNUAL SALARY	MAN MOS. REQUIRED	TOTAL COST
Driver-Mechanics	3		$6,000		$18,000
Labor	3		3,000		9,000
					$27,000

This form to be used for projects where U.S. funds and other funds are not commingled

FORM II
Table D-2
FY 1955

SUPPLIES, EQUIPMENT - NON-CONTRACT

1. COUNTRY	2. PROJECT NO.	3. DATE
Saudi Arabia	2	Oct. 1954

CATEGORY OR ITEM	UNIT	NO. UNITS	COST PER UNIT	TOTAL COST
Scientific Instruments				$ 5,000
Vehicles, spare parts, etc.				8,000
Current field costs				5,000
				$18,000

FORM II - B
FY 1955

PROJECT ESTIMATE

This form to be used for projects where U.S. funds and other funds are commingled.

1. Country: **Saudi Arabia**
2. Project: **3**
3. Date: **About July 1954**

4. Cooperating Agency (ies): **Ministry of Transportation and Communications**
5. Type of Project: **Industrial Training**
6. Code: **304**

7. Title: **Transportation and Communication Training (Dammam)**
8. ~~Non-Incremental~~ ~~Supplemental~~ Continuation ~~Revision~~ **of Project 9 under FY-54 Budget**

9. Description

Adult industrial pre-vocational and extension training for employees of the transportation and communication ministry, including S.A.G.R.R. employees.

10. Agreements under Which this Project Authorized: Date **Revised agreement underway**
Agreement Previously Signed. Date Agreement Effective From _____ to _____

Agreement to Be Signed **Date uncertain** Amount U. S. Commitment **$89,900**

11. Programming of Funds — SOURCES OF FUNDS

Unreserved (U.S. Funds) and other balances (Host Gov't) from previous year(s) - Total	U.S. Funds	Host Country Central Gov't	Total	Local & 3rd Prty Contrbs.	Total
A. Local Personnel					
B. Supplies, Equipment					
1. Purchased Locally					
2. Purchased Externally					
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.					
Current Fiscal Year Funds - Total	$89,900	$781,000		-	$870,900
A. Local Personnel	30,900	27,000			57,900
B. Supplies, Equipment					
1. Purchased Locally					
2. Purchased Externally	54,000	54,000			108,000
C. Other (Itemize by breakdown as purchase and rental of buildings, utilities, etc.	5,000	700,000			705,000

12. Grand Total Costs in Current FY: **$89,900** **$781,000** **$870,900**

13. Analysis of Host Country Contbs.

	Central Gov't	Local & 3rd Prty.	Total
Cash			
	$27,000 Local Personnel		
Kind	New buildings, utilities, travel, equipment		
	$754,000		
Total			
	$781,000		

Indicate Requirements U.S. Funds by Quarters of Fiscal Year

1st Qtr.	$50,000
2nd Qtr.	19,000
3rd Qtr.	10,900
4th Qtr.	10,000
Total	$89,900

14. Titles U. S. Technicians engaged in supervising or providing technical assistance under this project 1 Adult Education Specialist
1 R.J. Coordinator

This form to be used for
projects where U.S. funds and
other funds are commingled

FORM II
Table A-2

LOCAL PERSONNEL - NON-CONTRACT

1. COUNTRY	2. PROJECT NO.	3. DATE	4. FY
Saudi Arabia	3	About July 1954	1955

TITLE OR DESCRIPTION	NO.	GRADE	ANNUAL SALARY	MAN MOS. REQUIRED	TOTAL COST
U.S. CONTRACTION					
Instructors	3		$4,000		$18,000
Translators-Interpreters	4				12,900
				Total	$ 30,900
POST COURSE CONTRACTION					
Instructors	3		$6,000		18,000
Translators-Interpreters	3				9,000
					$ 27,000
				Grand Total	$57,900

This form to be used for projects where U.S. funds and other funds are commingled

FORM II
Table A-2

FY 1955

SUPPLIES, EQUIPMENT - NON-CONTRACT

1. COUNTRY	2. PROJECT NO.	3. DATE
Saudi Arabia	3	About July 1954

CATEGORY OR ITEM	UNIT	NO. UNITS	COST PER UNIT	TOTAL COST
U.S. CONTRIBUTION				
Diesel Engines - New shop - 20 student unit				$ 50,000
Part of Automotive engine shop				4,000
			Total	$ 54,000
HOST COUNTRY CONTRIBUTION				
Part of Automotive engine shop				$ 16,000
Welding Shop - 20 student unit				20,000
Sheet metal shop - 20 student unit				18,000
			Total	$ 54,000
			Grand Total	$108,000

OTHER

U.S. Funds

Architectural Services $ 5,000

S.A.G. Funds

New Building $700,000

Total $705,000